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**Article (Published version)  
(Refereed)**

**Original citation:**

Hall, Anthony (2006) *From Fome Zero to Bolsa Família: social policies and poverty alleviation under Lula*. [Journal of Latin American studies](#), 38 (4). pp. 689-709.

DOI: [10.1017/S0022216X0600157X](https://doi.org/10.1017/S0022216X0600157X)

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Available in LSE Research Online: September 2012

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# From *Fome Zero* to *Bolsa Família*: Social Policies and Poverty Alleviation under Lula\*

ANTHONY HALL

*Abstract.* Under the administrations of Fernando Henrique Cardoso (1995–2002) and especially President Lula (2003–), conditional cash transfer (CCT) programmes have become adopted as mainstream social policy in Brazil. This follows a marked trend since the 1990s in Latin America towards the setting up of targeted safety nets to alleviate poverty. Lula consolidated and expanded CCTs, firstly under *Fome Zero* and later *Bolsa Família*, now the largest such scheme in the world. Its four sub-programmes (educational stipends to boost school attendance, maternal nutrition, food supplements and a domestic gas subsidy) benefit some 30 million of Brazil's poorest people, with a target of 44 million by 2006. Since 2003, spending on *Bolsa Família* has risen significantly to consume over one-third of the social assistance budget for the poorest sectors and it remained a flagship policy in the run-up to the presidential elections of October 2006. Although coverage of *Bolsa Família* is impressive, however, systematic evaluation of its social and economic impacts is still lacking. Evidence from other CCT programmes in Latin America suggests that positive results may be achieved in terms of meeting some immediate needs of the poor. However, there have been many implementation problems. These include poor beneficiary targeting, lack of inter-ministerial coordination, inadequate monitoring, clientelism, weak accountability and alleged political bias. Given the heightened profile of cash transfers in Brazil's social policy agenda, key questions need to be asked. These concern, firstly, the extent to which *Bolsa Família* does indeed contribute to poverty alleviation; and secondly, whether it creates greater dependence of the poor on government hand-outs and political patronage at the expense of long-term social investment for development.

## *Introduction*

When President Luís Inácio Lula da Silva took office in January 2003, *Fome Zero* (Zero Hunger) soon became the defining flagship policy of his government. Inspired by the Millennium Development Goals, which call

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\* This article is based on a paper presented at the LASA 2004 conference, Las Vegas, NV. The author is indebted to several anonymous JLAS reviewers who provided valuable comments on a first draft.

for halving hunger and extreme poverty by 2015, the ambitious programme was intended to bring regular supplies of food and cash aid to Brazil's estimated 44 million living below the official poverty line. Building upon policies already established under the administration of President Fernando Henrique Cardoso, *Fome Zero* sought to expand and consolidate the social safety net programme.<sup>1</sup> It also represented a heartfelt personal commitment by Brazil's first working class president to address the country's seemingly intractable problems of poverty and severe inequality. At his inauguration, Lula famously pledged: 'If, by the end of my term of office, every Brazilian has food to eat three times a day, I shall have fulfilled my mission in life.'

Brazil's enthusiasm for constructing social safety nets has followed a marked international trend in policy-making since the late 1980s.<sup>2</sup> The free market ideology developed under the Reagan and Thatcher administrations, amongst others, was transferred to the developing countries through programmes of economic stabilisation and structural adjustment via the IMF and World Bank. Under a varying package of measures sometimes loosely referred to as the 'Washington Consensus',<sup>3</sup> moves towards market deregulation and increased competition would lead to the dismantling of state machinery, growing privatisation of service provision and cutbacks in public spending, especially in the social sectors. This process helped to destroy much of the social protection infrastructure in a region where effective and universal welfare systems had been developed in only five countries (Argentina, Chile, Costa Rica, Cuba and Uruguay), and where the impacts of social policies have generally been regressive with negative distributional consequences. Higher income groups have secured the lion's share of benefits and subsidies in key sectors such as education, health and pensions provision. On cost grounds, universalisation has been dismissed as too expensive in the context of developing countries. In particular, it was argued that such generous anti-poverty solutions were not affordable under conditions of economic austerity. However, even more critically, the notion of universal citizenship rights has (except in the case of Cuba) generally been eschewed in favour of selective social

<sup>1</sup> 'Safety nets' is a broad label to describe short-term, targeted interventions for vulnerable households designed to mitigate the immediate effects of poverty and other risks, providing assistance in the form of cash, food, housing, subsidies, fee waivers, scholarships and public works programmes.

<sup>2</sup> A. Hall and J. Midgley, *Social Policy for Development*, Sage (London, 2004).

<sup>3</sup> J. Williamson, 'What Washington means by policy reform', in J. Williamson (ed.), *Latin American Adjustment: How Much Has Happened?* Institute for International Economics (Washington DC, 1990).

rights linked to the politically determined distribution of benefits by the State.<sup>4</sup>

The solution for maximising both economic and political returns from the distribution of scarce social funding has been to target the poorest and most vulnerable groups through the use of specific instruments such as social funds implemented by a range of institutions including government, civil society, international donors and, indeed, poor communities themselves. This reaction was in part a pragmatic and understandable response for rapidly dealing with the increased suffering of some sectors brought about by the adverse social and economic impacts of structural adjustment.<sup>5</sup> However, it also represented a major ideological shift in thinking towards a more selective and means-tested approach for addressing mass poverty. This approach was formalised and endorsed at the highest international levels through the conceptualisation of social safety nets. These nets would not only 'catch' the poor and 'protect' them from economic shocks in the short term; they would also provide a 'springboard' for development, creating employment and income-earning opportunities through strategies of 'social risk management'.<sup>6</sup> In Latin America, social safety nets have been enthusiastically embraced by many governments. In particular, conditional cash transfer (CCT) programmes are increasingly regarded as a major social policy instrument in a number of countries. Since the late 1990s, apart from Brazil, major CCT programmes have been introduced in Mexico (*Progresas*, now known as *Oportunidades*), Colombia (*Familias en Acción*), Chile (*Subsidio Unitario Familiar*), Nicaragua (*Red de Protección Social*), Argentina (*Jefes de Hogar*) and Ecuador (*Bono de Desarrollo Humano*).<sup>7</sup>

Their underlying principle is that human capital can be enhanced as a development vehicle by providing money to families to persuade them to invest in themselves through greater participation in education and health services. The technical rationale is that, by focusing on children, long-term human capital accumulation can help break the inter-generational transmission of poverty. Through stimulating effective demand for social services, it is also designed to counter the shortcomings of supply-side interventions such as schools and clinics that often do not reach the poor. This CCT approach, in theory at least, contrasts with traditional social assistance

<sup>4</sup> C. Abel and C. Lewis, 'A Diagnosis of Social Policy in Latin America in the Long Run', in C. Abel and C. Lewis (eds), *Exclusion and Engagement: Social Policy in Latin America* (London, 2002), pp. 3–71.

<sup>5</sup> See G. Cornia, et al., *Adjustment with a Human Face* (Oxford, 1987), and T. Conway, *Social Protection: New Directions for Donor Agencies*, DFID (London, 2000).

<sup>6</sup> World Bank, *Social Protection Strategy Paper: from Safety Net to Springboard* (Washington DC, 2000).

<sup>7</sup> L. Rawlings, *A New Approach to Social Assistance: Latin America's Experience with Conditional Cash Transfer Programs*, World Bank (Washington DC, 2004).

strategies that use short-term redistributive mechanisms to tackle poverty during times of crisis. It aims to foster joint responsibility between families and the government, placing the onus on parents to spend cash wisely and ensure attendance at schools and health clinics. Thus, it is seen as constituting a break from clientelism and, in the words of one World Bank study, 'has been heralded as an alternative to more traditional, paternalistic approaches to social assistance and has helped counter criticisms of CCT programmes as handouts'.<sup>8</sup> However, as the case of Brazil considered below illustrates, this is very much a matter of contention.

Yet CCT programmes are seen as offering other innovations and advantages over traditional social assistance. In addition to encouraging human capital formation and family responsibility, CCTs are reputedly easier to target than other social assistance programmes, using geographical and household level criteria, including proxy-means tests to estimate household poverty levels. Providing cash (rather than benefits in kind, food stamps or vouchers) is more cost-effective and flexible, and avoids the creation of distorting secondary markets. Furthermore, the focus on health, education and nutrition fosters those synergies amongst diverse components of human capital considered essential for breaking the vicious circle of inter-generational poverty. Several countries adopting CCTs have also carried out evaluations that have provided empirical evidence of their effectiveness, facilitating scaling-up and political-administrative continuity.

#### *Social sector and social assistance spending in Brazil*

Government figures show that social sector spending as a whole in Brazil is quite high, at 16 per cent of GDP, with funding of direct costs equivalent to 14.1 per cent of GDP (Table 1). In 2004, social security, including pensions, accounted for 60 per cent of direct social spending in Brazil, health for 13 per cent and education for just over five per cent. However, Brazil's social sector investment, while comparing reasonably well with the OECD average of 25 per cent of GDP, is undermined by its high spending on pensions. Whereas pensions in OECD countries account on average for 33 per cent of spending, this figure rises to 44 per cent in the case of Brazil, surpassed only by Italy and Mexico.<sup>9</sup>

'Social assistance', targeted at the poorest groups, remains a relatively small proportion of the total social budget. However, it has expanded steadily under the administrations of both Fernando Henrique Cardoso (1995–2002) and, especially, Lula (2003–). Under Fernando Henrique

<sup>8</sup> *Ibid.*, p. 6.

<sup>9</sup> Brazil, *Orçamento Social do Governo Federal 2001–2004*, Ministério da Fazenda, Secretaria de Política Econômica (Brasília, 2005).

Table 1. *Spending on social programmes in Brazil, 2001–2006*

	Total social budget*		Social assistance budget**		Bolsa Família***	
	R\$ (billions)	% GDP	R\$ (billions)	% direct social budget	R\$ (billions)	% direct social assistance budget
2001	160	13.3	8.5	5.3	1.5	18.0
2002	182	13.5	10.2	5.6	2.4	23.0
2003	213	13.7	12.9	6.0	3.4	26.0
2004	249	14.1	16.2	6.5	5.8	36.0
2005			17.0		6.5	38.0
2006			22.0		8.3	38.0

Sources: *Orçamento Social do Governo Federal 2001–2004*, Ministério da Fazenda, Secretaria de Política Econômica, Brasília (2005); ‘Queda da pobreza é maior no campo que nas metrópoles’, *Folha de São Paulo*, 1 January (2006); ‘Quitação da dívida do FMI permitirá investir a favor do povo, diz Lula’, *O Estado de São Paulo*, 16 January (2006).

\* Direct costs of social security and pensions, health, education, social assistance, worker protection, housing and sanitation and agrarian organization.

\*\* Direct costs of assistance to children and nutrition including *Bolsa Família*, child labour, school feeding, help for the elderly and physically disabled, indigenous groups, etc.

\*\*\* *Bolsa Escola*, *Bolsa Alimentação*, *Cartão Alimentação* and *Auxílio Gás*.

Cardoso (FHC), there was a significant increase in social assistance spending, reaching 5.6 per cent of total social spending by 2002 as protection programmes, such as *Bolsa Escola*, expanded. By 2004, social assistance was budgeted at R\$16.2 billion, equivalent to 0.9 per cent of GDP and 6.5 per cent of the total social budget. In nominal terms, therefore, total social assistance spending leapt by 60 per cent under Lula from 2002–2004. However, as a proportion of the total social budget the increase was less dramatic, although still significant, moving from 5.6 to 6.5 per cent.

Increased spending for *Bolsa Família* specifically has been more marked. As Table 1 shows, spending on the four major safety net programmes, comprising what has become known as *Bolsa Família*, grew from 23 per cent of the social assistance budget (R\$2.4 billion) in 2002 under FHC to 36 per cent (R\$5.8 billion) under Lula in 2004. This rose to R\$6.5 billion in 2005 and will reach a predicted R\$8.3 billion in 2006, or 38 per cent of overall social assistance. Figure 1 underlines the heavier emphasis on safety net spending under *Fome Zero* and *Bolsa Família* within the social budget under Lula after 2003. During the Lula administration, spending on *Bolsa Família* has risen from 1.1 to 2.5 per cent of total government expenditure, increasing from 0.2 to 0.5 per cent of GDP.<sup>10</sup> However, to keep

<sup>10</sup> K. Lindert, ‘Bolsa Familia Program – Scaling-Up Cash Transfers for the Poor’, *MfDR Principles in Action: Sourcebook on Emerging Good Practice*, World Bank (Washington DC, 2005).

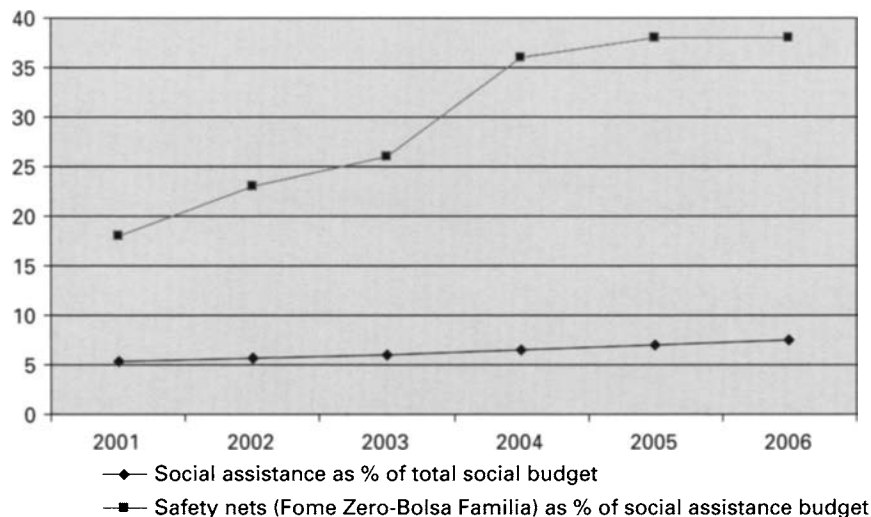


Fig. 1. Trends in funding for social assistance and safety nets, Brazil, 2001–2006. Sources: Orçamento Social do Governo Federal 2001–2004, *Ministério da Fazenda, Secretaria de Política Econômica, Brasília* (2005); ‘*Queda da pobreza é maior no campo que nas metrópoles*’, *Folha de São Paulo*, 1 January (2006); ‘*Quitação da dívida do FMI permitirá investir a favor do povo, diz Lula*’, *O Estado de São Paulo*, 16 January (2006).

matters in perspective, it should be borne in mind that *Bolsa Familia* accounts for just 2.3 per cent of direct monetary transfers in Brazil, far outweighed by pensions at 82 per cent, which are far more regressive.<sup>11</sup>

### *Fome Zero*

‘Zero Hunger’ marked out the Workers’ Party (PT) government as socially progressive and seemingly more serious about dealing with poverty than any other previous regime. The programme itself was inspired by José Graziano da Silva, former professor of agrarian studies at the University of Campinas in São Paulo, appointed by Lula to head the newly created Ministry of Food Security and Fight Against Hunger. *Fome Zero* was in practice an umbrella programme for initiatives already developed under the FHC administration. These federal initiatives had in turn developed from localised projects started during the 1990s, replacing an earlier programme of distributing food parcels (*cestas básicas-PRODEA*) which operated from 1993 to 2000 and was designed to provide for the needs of a family for one month.<sup>12</sup> However,

<sup>11</sup> Brazil, *Orçamento Social*.

<sup>12</sup> Smaller CCT projects had already been implemented at municipal level from 1995 onwards in Campinas, Brasília, Blumenau, Belo Horizonte, Victoria, Salvador and Ribeirão Preto. See J. Graziano da Silva, W. Belik and M. Takagi, ‘The Challenges of a Policy of Food

food parcels were heavily criticised for being unashamedly used to capture votes, with 30 million being distributed in the general election year of 1998, twice the normal number.<sup>13</sup> *Fome Zero* thus brought together under one label several existing initiatives; namely, the conditional cash transfer (CCT) programmes of *Bolsa Escola* for boosting school attendance, *Bolsa Alimentação* for maternal nutrition and the PETI programme against child labour, along with the *Auxílio Gás* cooking gas subsidy. However, it also added a new food entitlement scheme, the *Cartão Alimentação*, based on the use of a special credit card for the purchase of selected food items.

The flagship within this 'flagship' programme, however, was always *Bolsa Escola* (School Grant) that provides mothers with a monthly stipend (currently the equivalent of US\$7 per month per child) in return for their children attending school at least 85 per cent of the time. Started in the Federal District of Brasília in 1995, by then governor Cristovam Buarque, as well as in Campinas and São Paulo, it was adopted nationally in 2001. By the end of 2003, the scheme had been implemented in almost all of the country's 5,561 municipalities and had distributed almost US\$500 million in grants to over five million families with 8.6 million children. According to the latest available figures, *Bolsa Escola* accounts for around half the total spending on the four major safety net programmes under *Bolsa Família*.<sup>14</sup>

In consolidating existing safety net programmes, however, the Lula administration did introduce some major changes. Firstly, in line with President Lula's electoral promises, *Fome Zero* was underpinned by a clear and vociferous political commitment to benefit the very poorest sectors of Brazilian society. Secondly, while implementation of the programme was decentralised to municipal level, Graziano's ministry attempted, in some measure, to bypass local political interests to create an alternative distribution network; for example, by substituting food stamps with credit card style food cards which were in theory at least less vulnerable to incorrect use. However, as noted below, decentralisation of programme implementation has brought its own political problems. Third, appeals were made to major companies such as Ford and Unilever, as well as to supermarket chains, for contributions towards *Fome Zero* that would signify a new sense of corporate social responsibility and alliance between public and private sectors. Over 100 companies are now involved in the scheme.

International donors such as the IMF, the World Bank and the Inter-American Development Bank moved quickly to endorse the Lula government's anti-poverty stance. After all, it testified to the new administration's

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Security in Brazil', in A. Cimadamore, H. Dean and J. Siqueira (eds), *The Poverty of the State: reconsidering the role of the state in the struggle against global poverty* (Buenos Aires, 2005), pp. 157–78.

<sup>13</sup> Ibid.

<sup>14</sup> Brazil, *Orçamento Social*.



prudent social policies, belying its radical left-wing image. It also fitted in very nicely with the increasingly popular view held by international financial institutions, led by the World Bank, of social policy as the construction of safety nets.<sup>15</sup> During the 1980s and 90s, the introduction of social funds to deal with the adverse impacts of structural adjustment had become well established.<sup>16</sup> Subsequently, the collapse of the Soviet Union and comprehensive social security schemes in the former communist countries, together with the East Asia crisis, led to the introduction of large-scale, targeted social protection measures with World Bank assistance. As noted above, these emergency measures were now couched in the language of ‘social risk management’, intended to go beyond the provision of short-term relief to help strengthen people’s livelihoods and their ability to cope with shocks and risks in the long-term. At the same time, the Bank set up a special Social Protection Unit within its Human Development network to oversee this policy. In 2005, social protection accounted for some 12 per cent of total Bank lending, with US\$2.5 billion invested in 45 projects.<sup>17</sup>

Yet despite the initial enthusiasm which accompanied the inauguration of *Fome Zero* in early 2003, serious problems soon became apparent. Many were due to the fact that each programme operated independently of the other with no overall coordination. Each had separate administrative structures, beneficiary selection processes and banking contracts for payments. The Lula government inherited a partially unified database, or *Cadastro Único*, from the previous administration but this covered only 70 per cent of poor families. This made effective implementation more difficult, leading to high implementation costs and targeting errors.<sup>18</sup> Problems included the adoption of political criteria for selecting beneficiary families, an over-centralised management system, exclusion of some eligible poor families, duplication of benefits and a lack of updated information. Even the then Minister Graziano publicly admitted to a targeting error under the programme of up to 30 per cent, which led to long delays in implementation.<sup>19</sup>

### *Bolsa Família*

By mid-2003, just a few months into the Lula administration, such problems were already creating disillusionment with *Fome Zero*, which was perceived as increasingly ineffective in fulfilling its mission to fight hunger and absolute

<sup>15</sup> Hall and Midgley, *Social Policy for Development*, Sage (London, 2004).

<sup>16</sup> K. Subbarao, *Safety Net Programs and Poverty Reduction: Lessons from Cross Country Experience*, World Bank (Washington DC, 1997).

<sup>17</sup> World Bank, *Putting Social Development to Work for the Poor: An OED Review of World Bank Activities* (Washington DC, 2005).

<sup>18</sup> IPEA, *Políticas Sociais: Acompanhamento e Análise*, no. 7, August (2003).

<sup>19</sup> ‘Unificação na área social fica para 2004’, *Folha de São Paulo*, 10 June (2003).

poverty. The newly labelled *Bolsa Família* (Family Grant) scheme was thus announced in October 2003 to integrate the actions and budgets of the four main CCT programmes; namely *Bolsa Escola*, *Bolsa Alimentação*, *Cartão Alimentação* and *Auxílio Gás*. *Bolsa Família* is now the largest conditional cash transfer programme in the world. The distinctive *Fome Zero* label was retained as a wider umbrella term to encapsulate the overall safety net programme in Brazil involving a diverse range of over 30 social interventions in the areas of food security, farming and other forms of support, including *Bolsa Família*, although the label is regarded as cosmetic.<sup>20</sup>

The unification of safety net programmes under *Bolsa Família* involved significant changes. Under the old set-up, the components of *Fome Zero* were administered separately: *Bolsa Escola* (Ministry of Education), *Bolsa Alimentação* (Ministry of Health), *Cartão Alimentação (Fome Zero)* and *Auxílio Gás* (Ministry of Mines and Energy). Although providing benefits to roughly the same target population, they were difficult to administer, each scheme having its own bureaucratic structure, data collection, fiduciary responsibilities and reporting systems. Not only was this fragmentation costly, but it sacrificed potential benefits in terms of synergies and complementarities at the family level in schooling, health and nutrition. By contrast, integration has helped reduce administrative costs, improve targeting efficiency, standardise procedures and results indicators and coordinate federal with state level safety net programmes. Conditionalities for education, health and nutrition were merged to produce greater synergy while unit transfer benefits were also increased. There is a new emphasis on targeting the household unit rather than the individual.

However, many aspects of *Bolsa Família* implementation remain decentralised to municipal level. These include data collection, registration of potential beneficiaries under a single register (*Cadastro Único*) and monitoring of adherence to conditionalities. Under Brazil's decentralisation law, each municipality is required to set up a social council (*Conselho de Controle Social*) for this purpose, whose members are chosen by the mayor from public and civil society sectors.

In January 2004, President Lula announced the integration of the Ministry of Food Security and Fight against Hunger with the Ministry of Social Welfare to form the new Ministry of Social Development and Fight against Hunger (MDS). Graziano was replaced by Patrus Ananias as Minister of Social Development. The Inter-ministerial Management Committee and Executive Secretariat for *Bolsa Família*, originally linked directly to the President's Office, were transferred to the new MDS in order to facilitate better integration of social programmes.

<sup>20</sup> <http://www.fomezero.gov.br/>

The scheme is targeted at two groups, the 'very poor' with household incomes of up to R\$50 (US\$23 per month), and the 'poor' with household incomes of R\$51–100 (US\$23.50–46) per month. The upper limit was increased in April 2006 to R\$120 (US\$55) in order to facilitate attainment of the overall target numbers. Very poor families are awarded a fixed monthly stipend of R\$50 regardless of family size, while families earning between R\$51–120 per month receive no basic payment. Both groups are eligible for variable payments of R\$15 (US\$7) per child of school age (6–15) to a maximum of three, or up to six years of age under *Bolsa Alimentação*. The maximum benefit per household was set at R\$95 (US\$43). These cash grants are conditional upon proof of regular presence at school, children's vaccination, attendance at health clinics and, where relevant, participation in nutrition and vocational training courses. The gas subsidy provides R\$15 every two months for the same social groups to purchase cooking gas cylinders. The *Cartão Alimentação*, or food card system, was initiated in March 2003 for the poor, semi-arid Northeast as part of *Fome Zero*. It gives families earning up to half the minimum wage a monthly cash supplement of R\$50 for food purchases.

In June 2004, the World Bank approved a US\$572 million sector-wide loan (SWAP) to support *Bolsa Família*. This will provide funds for cash transfers (96 per cent) as well as for technical assistance to develop a unified database, improve targeting mechanisms, develop a system for monitoring and evaluation, strengthen the institutions involved and the programme's implementation capacity within the MDS and to develop a dissemination and communications strategy.<sup>21</sup> In December of the same year, the Inter-American Development Bank (IDB) approved a loan of US\$1 billion for *Bolsa Família*, with the promise of up to US\$2 billion, depending on satisfactory progress.<sup>22</sup> These two multilateral commitments, totalling US\$2.57 billion, are the equivalent of one-quarter of the estimated total funding for *Bolsa Família* (R\$24 billion) during the Lula government and provide an unequivocal external endorsement of the safety net/CCT approach to poverty reduction in Brazil. The Bank has also been very generous in its public praise for *Bolsa Família*, whose instruments are seen as having an applicability beyond Brazil itself to other countries implementing CCT schemes.<sup>23</sup>

<sup>21</sup> World Bank, *Project Appraisal Document on a Proposed Adaptable Program Loan to the Federative Republic of Brazil in Support of the First Phase of the Bolsa Família Program* (Washington DC, May 25, 2004).

<sup>22</sup> 'IDB approves loan of US\$1 billion for expansion and consolidation of social protection in Brazil based on the Bolsa Família program', *Press Release*, 15 December (2004).

<sup>23</sup> K. Lindert, 'Bolsa Família Program'. 'Banco Mundial faz elogio ao Bolsa-Família', *Folha de São Paulo*, 15 February (2006).

*Assessment of progress*

The first generation of CCT programmes in Latin America (Mexico, Colombia, Honduras and Nicaragua) incorporated evaluation strategies using a variety of techniques, allowing preliminary conclusions to be drawn regarding their effectiveness.<sup>24</sup> Education programmes in Mexico, Colombia and Nicaragua have boosted primary school enrolment rates for both boys and girls. However, results on regular attendance are mixed while the issue of quality of schooling provided is not usually addressed. Child health and nutrition has also improved in these countries as a result of CCTs, with greater participation in growth monitoring and immunisation campaigns. At the same time, food security has improved, with cash transfers leading to higher levels of consumption and nutrition. Evaluation results show that over 80 per cent of CCT programme benefits in these countries reach the poorest 40 per cent of families.<sup>25</sup>

While this first round of evaluation results is, in general terms, encouraging, evidence on the performance of *Bolsa Família* has yet to be systematically gathered. In terms of numerical achievements, the record of *Bolsa Família* has been impressive in many respects. First, the number of beneficiaries has more than doubled in three years to over 30 million. This is the equivalent of roughly three-quarters of those living below the poverty line, who are concentrated mainly in the poorest North and Northeast regions. Second, according to official estimates, the average level of benefit paid per family has almost tripled from R\$28 (US\$13) to R\$75 (US\$34) per month.<sup>26</sup> By the end of 2005, some 8.7 million families had been included and this figure was expected to rise by late 2006 to 11.2 million families or 44 million people, its eventual target population.<sup>27</sup>

At the moment, based on evidence from other Latin American countries, sweeping assumptions are being made that safety net programmes such as these can reduce inequalities, strengthen human capital and improve people's well-being. Brazil's Ministry of Finance, for example, has confidently declared that, 'programmes such as *Bolsa Família* are highly efficient instruments in the fight against poverty.'<sup>28</sup> Official government statements to the press regularly make similar claims. The reported reduction in rural poverty levels in Brazil from 39.5 per cent in 2003 to 35.4 per cent in 2004 has been attributed in large measure to cash transfers such as pensions and *Bolsa*

<sup>24</sup> Rawlings, *A New Approach to Social Assistance*.

<sup>25</sup> *Ibid.*

<sup>26</sup> Brazil, *Orçamento Social*, p. 24.

<sup>27</sup> *Ibid.* World Bank, *Brazil: Equitable, Competitive, Sustainable: Contributions for Debate* (Washington DC, 2004).

<sup>28</sup> Brazil, *Orçamento Social*, p. 16. 'Bolsa-Família alivia pobreza, diz governo', *Folha de São Paulo*, 25 December (2005).

*Família*.<sup>29</sup> However, critics express doubts about the ability of *Bolsa Família* to help generate income or employment. Questions have also been raised over a number of key operational dimensions concerning, for example, targeting and selection procedures, the effectiveness of conditionalities, the role of politics and clientelism, weak local institutional capacity, the participation of civil society and the degree of transparency and accountability.

Although there has not yet been any comprehensive impact evaluation of *Bolsa Família*, some investigations have been carried out. A longitudinal study by the Ministry of Health and the International Food Policy Research Institute (IFPRI) in four northeastern municipalities, over an 18 month period from 2002–2003, concluded that the Food Grant (*Bolsa Alimentação*) component, which makes monthly cash grants to women of R\$25 (US\$11) conditional upon regular health clinic attendance, had succeeded in boosting the food security of mothers and children. The quantity and diversity of food consumed improved, while the growth and nutritional status of children had progressed compared with non-participants in the programme.<sup>30</sup> A comprehensive impact evaluation of *Bolsa Família* is underway during 2005–06, funded by the World Bank loan mentioned above, that will no doubt shed light on the consequences for school attendance, nutrition status and other social indicators.<sup>31</sup> An ex-ante evaluation of *Bolsa Escola* using simulation techniques concluded that it would increase school enrolments amongst poor ten- to 15-year olds by 60 per cent but would reduce poverty by just one per cent.<sup>32</sup> An early evaluation of the PETI child labour scheme in selected Northeastern states showed that it reduced the probability that children would work by up to 26 per cent.<sup>33</sup>

Although comprehensive impact evaluations of *Bolsa Família* as a whole are presently lacking, some studies have been carried out of *Bolsa Escola*, its largest component, which was introduced in various municipalities during the 1990s before being extended as a national programme in 2001. One such investigation into early municipal school stipend programmes, based on 2000 Census data, found that they had a positive impact on school attendance but

<sup>29</sup> 'Queda da pobreza é maior no campo que nas metrópoles', *Folha de São Paulo*, 1 January (2006).

<sup>30</sup> Ministry of Health, *Avaliação Final de Impacto do Programa Bolsa-Alimentação* (Brasília, 2004). A similar study is being carried out by the Federal University of Bahia (UFBA) in three northeastern municipalities of *Bolsa Família* impacts upon the local economy, health and nutrition status.

<sup>31</sup> This is being undertaken by Centre for Development and Regional Planning (CEDEPLAR) at the Federal University of Minas Gerais.

<sup>32</sup> F. Bourignon, F. Ferreira and P. Leite, 'Conditional Cash Transfers, Schooling and Child Labor: Micro-Simulating Brazil's Bolsa Escola Program', *The World Bank Economic Review*, vol. 17, no. 2, pp. 229–54.

<sup>33</sup> Cited by Rawlings, 'A New Approach to Social Assistance', pp. 9–10.

had no significant effect on child labour since children were induced to go to school and work concomitantly. That is, the cash transfers provided were too small an incentive to persuade families to forgo child labour.<sup>34</sup> More worryingly, research based on Brazil's national household survey (PNAD) for 2003 concluded that *Bolsa Escola*, which is aimed at children aged from six to 15 years of age, is poorly targeted and does not benefit those families whose children are more likely to be persuaded to attend school by a cash stipend.<sup>35</sup> The study found that, for children aged between seven and 13, the cash incentive effect is negligible since they are likely to attend anyway as provision is universal. Yet it is in this age group where most *Bolsa Escola* benefits are concentrated. However, children start dropping out of school at age 14 and it is in the 14 to 17 age range where a cash incentive would be most effective in retaining children, the study concludes. The same research into *Bolsa Escola* found that the programme is generally well focused on poorer social groups, with 50 per cent of benefits reaching the two lowest income deciles. Yet 18 per cent of cash transfers accrue to 1.5 million children in the fifth income decile and higher, suggesting the presence of some distributive distortions.<sup>36</sup>

Further evidence on the effectiveness of *Bolsa Escola* is provided by a process evaluation of its implementation, based on field surveys carried out in 2004 in 261 randomly selected municipalities in four states of Northeast Brazil.<sup>37</sup> Although programme impacts on targeting, educational participation and poverty alleviation will be assessed only at a later date, the study nevertheless provides important initial insights into the highly variable municipal record of implementation and some of the problems encountered. The evaluation found, for example, that beneficiary screening and selection for *Bolsa Escola* is based on a range of objective and diverse criteria set at local and federal levels (such as per capita family income, schooling, family size, ages of children, health records, etc.) and that the process is on the whole quite transparent, with widespread discussion and dissemination of information. Initial confusion over the respective roles of municipal and central government in beneficiary selection was clarified under *Bolsa Família* by a ruling which transferred responsibility for this task over to the federal authorities.

<sup>34</sup> E. Cardoso and A. Portlea Souza, 'The Impact of Cash Transfers on Child Labor and School Attendance in Brazil', *mimeo*, 2003.

<sup>35</sup> S. Schwartzman, 'Education-oriented social programs in Brazil: the impact of Bolsa Escola', *mimeo*, Instituto de Estudos do Trabalho e Sociedade, São Paulo, 2005.

<sup>36</sup> *Ibid.*, p. 16.

<sup>37</sup> A. de Janvry, et al., 'Brazil's Bolsa Escola Program: The Role of Local Governance in Decentralized Implementation', *SP Discussion Paper* No. 0542, Social Protection Unit, World Bank (Washington DC, 2005).

Anecdotal evidence suggests, however, that targeting errors occur regularly and that there is, for example, much benefit duplication due to poor coordination amongst programmes and an incomplete central database. Researchers maintain that it is possible to improve targeting through the development of better income-based and proxy means testing devices.<sup>38</sup> Other specialists are more sceptical of this approach as expensive, unwieldy and ultimately ineffective.<sup>39</sup> A current concern is how to improve the central database (*Cadastro Único*), the main beneficiary registration and selection mechanism for *Bolsa Família*, so that it may be used to channel, more effectively, resources to the poor, in view of persistent problems such as the underreporting of incomes and political bias in client selection.<sup>40</sup>

A major conclusion of the same study of *Bolsa Escola* is that transparency in beneficiary selection does not necessarily lead to overall accountability. Unsurprisingly in the Brazilian context perhaps, strong evidence was found of political manipulation in programme implementation in at least ten per cent of municipalities sampled. This observation is consistent with alleged cases of resource misuse and corruption under *Bolsa Família* documented regularly in the Brazilian press. Involvement of the mayor's office in beneficiary registration and selection was associated with the highest levels of clientelism and patronage. The absence of 'social councils' comprising local citizens and authority representatives, whose function is to monitor programme execution and induce a degree of transparency and accountability, was found to increase the likelihood of such favouritism. Where they had been set up, and where they were actually working (in two-thirds of cases), councils were found to be quite effective on the whole and their impact on programme implementation was generally positive. Yet one-fifth of municipalities sampled had no such council, despite the fact that it is a federal requirement. It was also found that they often performed poorly, their objectivity in monitoring beneficiary selection and adherence to conditionalities (such as school attendance) being compromised by local connections and affiliation to the mayor, to whom council members were not infrequently

<sup>38</sup> R. Paes de Barros and M. Carvalho, 'Desafios para a Política Social Brasileira', *Textos Para Discussão*, No. 985, IPEA (Rio de Janeiro, 2003). M. Neri, 'Designing a System of Social Targets and Social Credit', and M. Medeiros, 'Conditional Flow Transfers in Brazil: Some Problems for Targeting the Poor'. Papers presented at the conference on *Overcoming Social Exclusion: Brazil in Comparative Perspective*, Centre for Brazilian Studies, University of Oxford, 22 June (2004).

<sup>39</sup> E. Suplicy, 'The Approval of the Citizen's Basic Income Bill in Brazil', and G. Standing, 'Promoting Income Security as a Right'. Papers presented at the conference on *Overcoming Social Exclusion: Brazil in Comparative Perspective*, Centre for Brazilian Studies, University of Oxford, 22 June (2004).

<sup>40</sup> B. de la Brière and K. Lindert, *Reforming Brazil's Cadastro Único to Improve Targeting of the Bolsa Família Program* (Washington DC, 2005).

related. One official report by the federal auditors (*Tribunal de Contas da União*) strongly criticised *Bolsa Família* for its lack of programme monitoring.<sup>41</sup>

A major bone of contention in discussions over the effectiveness of CCTs lies in the supposedly 'conditional' nature of cash transfers. As noted earlier, the theory is that benefits should be contingent upon mothers and children meeting social obligations such as regular school attendance, undergoing health screening and receiving vaccinations. Not only anecdotal evidence, but also systematic research, demonstrates that in practice the monitoring and enforcement of such conditionalities is highly problematic. For example, school teachers are often reluctant to report absent pupils, while social councils seem unable or unwilling to perform a policing role. In the words of one study:

The federal government is unable to supervise the behaviour of poor families throughout the country; local governments and municipalities are either inefficient or tied up with local elites, or both; and community grassroots organisations are easily captured by political parties and movements.<sup>42</sup>

Imposing conditionalities is often seen not only as difficult in practice but also as paternalistic in principle, leading many to recommend its replacement by unconditional support.<sup>43</sup> Only time will tell whether such obligations are justified in terms of inducing improvements in economic and social indicators and in building human capital.

Beyond questions of operational effectiveness, however, lie more fundamental concerns. Serious doubts have been raised, for example, about the ability of such safety nets, even when properly implemented, to mount a serious challenge to poverty in the context of highly unequal societies such as Brazil. Some critics allege that *Bolsa Família* is an essentially politically-driven strategy for holding down increases in the legal minimum wage which, they maintain, would actually benefit more families working in both formal and informal sectors, through multiplier effects. In contrast, based on IPEA research findings, the government insists that selective income transfers have had a more significant anti-poverty impact than wage policy.<sup>44</sup> Echoing the more universalistic wage policy approach, Senator Eduardo Suplicy (São Paulo, PT) has for over a decade been fighting

<sup>41</sup> 'Para o TCU, falta de fiscalização prejudica Bolsa-Família', *O Estado de São Paulo*, 30 September (2004).

<sup>42</sup> S. Schwartzman, 'Education-oriented social programs in Brazil', p. 25.

<sup>43</sup> *Ibid.* and Suplicy, 'The Approval ...'

<sup>44</sup> 'Bolsa-Família supera o mínimo, diz estudo', *Folha de São Paulo*, 22 June (2004). 'Mínimo deve ser avaliado junto com políticas sociais, diz Palocci', *O Estado de São Paulo*, 8 June (2004).



for the introduction of an unconditional Citizen's Basic Income in Brazil.<sup>45</sup> This was finally approved in January 2004 by the Brazilian Congress (Law No. 10,835), committing the government to introducing a standard basic income in 2005 for all Brazilians, commencing with the poorest sectors but eventually extending it to all citizens. Although Suplicy regards *Bolsa Família* as the first step towards such a Citizen's Basic Income, there are clearly major practical and ideological differences between the safety net approach and the idea of a Citizen's Basic Income as a right.<sup>46</sup>

Yet other more far-reaching criticisms of the *Bolsa Família* approach to social policy concern Brazil's persistent inequality and relative deprivation, despite improvements in levels of absolute poverty. With the seventh most unequal income distribution in the world, the top 20 per cent in Brazil earn almost 64 per cent of personal income and the bottom quintile just 2.3 per cent.<sup>47</sup> Although the challenges of dealing with absolute poverty and inequality are distinct and imply separate kinds of economic and social policies, frustration is sometimes expressed over the seeming inability of *Bolsa Família* to bring about any redistribution of wealth. However, even strong advocates of targeted income transfers, such as the World Bank, admit that they cannot on their own overcome the poverty generated and sustained by entrenched inequities. Ironically, Lula himself acknowledged this publicly, declaring that, '*Bolsa Família* is not our salvation, merely an emergency measure ... and the ideal is that in a few years time *Bolsa Família* will no longer be necessary.'<sup>48</sup>

Yet the blatant politicisation of *Bolsa Família* suggests that it may retain a long-term role in Brazil's social policy agenda. It is evident that Lula and his government came to depend heavily on the programme to strengthen political support and generate votes in the October 2006 presidential elections.

<sup>45</sup> Suplicy, 'The Approval ...'. IPEA, *Políticas Sociais: Acompanhamento e Análise*, no. 8, February (2004).

<sup>46</sup> In a similar vein, human rights activists have for some time advocated the idea of a universal child benefit in cash or kind, designed to guarantee longer-term minimum living standards and have a more sustainable anti-poverty impact. This would be funded through international taxation such as a 'Tobin-style' currency transaction tax to build up an international investment fund for children. The ILO, for example, has a plan for the elimination of child labour over 20 years at a cost of US\$95 million, equivalent to less than ten per cent of developing country debt service payments or one-fifth of their defence spending. See, P. Townsend, 'Making Human Rights Stick: Action to Eradicate Poverty', *LSE Seminars on Human Rights*, London School of Economics, 29 June (2004) and 'The Need for Direct Policies to Fight Child Poverty', *In Focus*, UNDP, February (2004).

<sup>47</sup> R. Paes de Barros and M. Carvalho, 'Desafios para a Política Social Brasileira', *Textos Para Discussão*, No. 985, IPEA (Rio de Janeiro, 2003).

<sup>48</sup> 'Íntegra do discurso de Lula em cerimônia do Bolsa Família', *O Estado de São Paulo*, 23 December (2005).

Reliance on such electoral populism and the strengthening of the President's official image as the 'Father of the Poor' (*Pai dos Pobres*) could indeed help compensate at the ballot box for a fundamental political weakness in the Lula administration attributable to what some critics have identified as 'the absence of a political project structured within the social movements and mass organisations which had sustained the PT since its foundations'.<sup>49</sup> Opinion polls have demonstrated quite clearly that during 2006, in the wake of corruption scandals, political support for Lula strengthened significantly in the Northeast, Brazil's poorest region, in which three-quarters of *Bolsa Família* beneficiaries are concentrated. Support for Lula has been substantially higher amongst beneficiaries than amongst those not taking part in the programme.<sup>50</sup>

The temptations are obvious. With average total monthly transfers under *Bolsa Família* of almost R\$500 (US\$230) million per month, official figures show that some municipalities rely on the programme for 40 per cent or more of their overall budgets. This dependence is especially marked in poorer Northeastern municipalities.<sup>51</sup> It was also claimed in 2005 that *Bolsa Família* could be worth up to 22 million votes for Lula in the 2006 elections.<sup>52</sup> An estimated three-quarters of Brazil's absolute poor (eight million households, or 16 per cent of the total) now benefit in some measure from cash transfers of one kind or another. In the Northeast, one-third of households receive such transfers, rising to 44 per cent in rural areas.<sup>53</sup> It is therefore not difficult to see how this could translate into political support for the President. Given his humble origins and unrelenting public commitment to poverty alleviation since his inauguration, he is very much personally identified with *Bolsa Família*. In pre-election speeches, as well as in general government publicity campaigns, a concerted government effort was mounted, perhaps understandably, to publicise the achievements of *Bolsa Família* and gain maximum political advantage.<sup>54</sup>

<sup>49</sup> P. Flynn, 'Brazil and Lula, 2005: crisis, corruption and change in political perspective', *Third World Quarterly*, vol. 26, no. 8 (2005), p. 1245.

<sup>50</sup> 'Bolsa Família é principal razão para subida de Lula', *Folha de São Paulo*, 26 February (2006). *Datafolha* research showed that while Lula enjoyed an eight point lead over his political rivals generally in the Northeast, this figure rose to 21 points in the case of *Bolsa Família* beneficiaries. See also D. Fleischer, *Brazil Focus*, special report, 22 February (2006).

<sup>51</sup> R. M. Marques, 'A importância do Bolsa Família nos municípios brasileiros', *Cadernos de Estudos Desenvolvimento Social em Debate*, No. 1, Ministry of Social Development (Brasília, 2005).

<sup>52</sup> 'Bolsa Família deve ser "arma" de Lula em 2006', *Terra*, 9 October (2005).

<sup>53</sup> National household survey (PNAD) data for 2004.

<sup>54</sup> In a speech Lula emphasized the fact that, '77 per cent of those living below the poverty line are receiving benefits from Bolsa Família'. See 'Lula faz balanço de programas sociais em Porto Alegre', *Folha de São Paulo*, 17 February (2006). SECOM, the department responsible for campaign publicity, made no secret of the fact that *Bolsa Família* would be

Furthermore, local politicians, especially in the Northeast, have developed their own vote-catching strategies in support of the President, capitalising on federal schemes such as *Bolsa Família* to strengthen the image of President Lula and the Workers Party.<sup>55</sup> Indeed, even the political opposition openly considered how, in the event of winning power in October 2006, it would extend and modify such CCT programmes to build political support amongst the poor.<sup>56</sup> Partido da Social Democracia Brasileira presidential candidate, Geraldo Alckmin, publicly declared while campaigning in the Northeast that, if elected, he would not only maintain *Bolsa Família* but expand the programme.<sup>57</sup>

### *Conclusion*

The upward trend in budget support for *Bolsa Família* since 2003 continued in 2006, thanks in part to generous assistance from the World Bank and the Inter-American Development Bank. This testifies to its continuing political importance domestically and ideologically as a mark of the re-casting of social policy by multilateral organisations. As the President himself noted in a televised speech to the nation, Brazil's repayment in December 2005 of its US\$15.5 billion IMF debt, saving at least US\$900 million in interest, would also release funds for social programmes.<sup>58</sup> Despite such high-profile commitments, however, there is still a long way to go in delivering comprehensive social protection to the country's poor. Brazil's first national study of food security revealed recently that of the 18 million 'food insecure' population only 5.3 million (29 per cent) was benefited by income transfer programmes.<sup>59</sup> Yet no matter how effective *Bolsa Família* might or might not eventually prove to be in terms of alleviating absolute poverty, the government's dependence on such safety nets as a core element of its social policy begs much larger questions.

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a high profile area in the elections. See 'Governo acelera gastos em publicidade institucional', *Folha de São Paulo*, 19 February (2006).

<sup>55</sup> For example, the mayor of Teófilo Ottoni declared that she had sent letters to all beneficiaries of *Bolsa Família* and the 'Electricity for All' (*Luz para Todos*) programmes in her municipality reminding people that these were the personal initiatives of President Lula. This had resulted, she declared to the press, in increased political support for the President amongst the poor. See 'Prefeita relata prática de angariar votos para Lula com programa federal', *Folha de São Paulo*, 13 February (2006).

<sup>56</sup> 'Tucanos preparam plano para seduzir mais pobres', *O Estado de São Paulo*, 19 February (2006); 'PT e PSDB convergem no diagnóstico sobre o futuro do Bolsa Família', *Valor Econômico*, 31 January (2006).

<sup>57</sup> 'No NE, Alckmin diz que Bolsa Família não é criação de Lula', *O Estado de São Paulo*, 22 April, (2006).

<sup>58</sup> 'Quitação da dívida do FMI permitirá investir a favor do povo, diz Lula', *O Estado de São Paulo*, 16 January (2006). <sup>59</sup> IBGE, *Segurança Alimentar 2004* (Brasília, 2006).

A major perverse trend is that the poor in Brazil must now rely increasingly on government handouts to support their livelihoods. Analysis of census data shows that whereas in 1995 earnings from employment contributed 89 per cent of poor household incomes, by 2004 this proportion had dropped to 48 per cent.<sup>60</sup> In other words, over half of the income in very poor households in Brazil is now derived from federal cash transfers through largely non-contributory programmes including *Bolsa Família* and rural pensions. Some observers have identified a growing culture of dependence perpetuated through such safety net mechanisms. Less kind critics have renamed *Bolsa Família/Bolsa Escola* as '*Bolsa Esmola*' ('charity grant' or 'beggar's grant'). There is a strong risk that the perpetuation of such a hand-out culture through safety net policies could lead to increased clientelism as politicians consciously use and manipulate these programmes as part of wider political and vote-capturing strategies. This would belie the 'social risk management' component of current safety net strategies designed to address longer-term development challenges. Of course, such dependence of poorer classes on federal transfers has to be seen together with the massive reliance of the middle classes and former public sector employees upon heavily subsidised state pensions, which consumes the lion's share of Brazil's social budget.

A consequence of these political distortions in public expenditure could be, however, that key areas of social infrastructure such as schools and hospitals are starved of resources. Arguably, it is in these social welfare sectors where more long-term investment is necessary to build up the human capital necessary as the basis for economic growth. Perhaps it is no coincidence that, while spending per annum on education and health in Brazil remained constant as a proportion of GDP (0.7 and 0.2 per cent respectively) between 2001 and 2004, the social assistance budget grew from 0.7 to 0.9 per cent of GDP over the same period.<sup>61</sup> Furthermore, *Bolsa Família*'s share of this growing social assistance budget itself increased significantly from 26 per cent in 2003 to 38 per cent in 2005 (Table 1 and Figure 1). Indeed, it is becoming larger than all other federal government education programmes, excluding higher education.<sup>62</sup> In a growing number of Latin American countries, CCTs are becoming a cornerstone of social policy and there is a danger that although they do certainly represent a creative approach to providing social assistance, 'they constitute an 'end-run' around the more difficult task of reforming inefficient public

<sup>60</sup> 'Pobres se distanciam de ricos e dependem mãos do governo', *Folha de São Paulo*, 25 December (2005).

<sup>61</sup> Brazil, *Orçamento social*.

<sup>62</sup> S. Schwartzman, 'Education-oriented social programs in Brazil', p. 3. In 2004, non-higher federally funded education accounted for R\$4 billion, compared with a *Bolsa Família* budget of R\$5.8 billion, around half of which is allocated to *Bolsa Escola*.

services.<sup>63</sup> There is a risk that the prioritisation of such schemes may seriously compromise longer-term investments into basic social infrastructure.

Finally, it is frequently argued that, in order to mount a serious challenge to mass poverty in Brazil, there will have to be modifications in asset ownership, labour markets and economic policy. Indeed, the World Bank itself now argues vehemently for strong interventionist policies to address mass poverty and inequality while promoting growth.<sup>64</sup> In future, Brazil's federal CCT schemes may be more closely tied to income-generating opportunities, as in the World Bank's 'social risk analysis' model of social protection. This approach is already being tried in state-level income transfer programmes in Brazil and has been a feature of similar schemes in Chile, Mexico and Nicaragua.<sup>65</sup> At the national level in Brazil, however, strategies such as agrarian reform, together with concomitant cross-sector policy support, are essential to help rebuild and sustain rural livelihoods. In addition, poverty alleviation must be driven by the creation of stable and decently remunerated employment opportunities in both rural and urban areas. Thus, major poverty reduction in Brazil, it is argued, can only be achieved through vigorous, job-creating economic growth together with redistributive policies and social investment.

Building progressive social policy capable of attacking the roots of poverty and promoting redistributive welfare remains a major challenge to policy-makers. The New Social Policy model of Latin America, with its growing reliance on targeting and safety nets, is seen by some as an appropriate vehicle for reconciling growth with equity, offering an alternative to more regressive, traditional, institutionalised welfare service delivery mechanisms.<sup>66</sup> Despite some promising initial evidence from conditional cash transfer schemes in the region, however, it remains to be seen how well the

<sup>63</sup> Rawlings, *A New Approach to Social Assistance*, p. 11.

<sup>64</sup> D. de Ferranti, et al., *Inequality in Latin America. Breaking with History?* World Bank (Washington DC, 2004). World Bank, *World Development Report 2006. Equity and Development* (Washington DC, 2005).

<sup>65</sup> Nine Brazilian states have their own CCT programmes (Alagoas, Ceará, the federal district of Brasília, Goiás, Mattos Grosso do Sul, Rio de Janeiro, Rio Grande do Sul, São Paulo and Tocantins). For example, the 'Citizen's Income' (*Renda Cidadã*) scheme in Goiás was developed from 2000 to substitute the food parcel programme. It permits registered poor families to receive cash compensation for the purchase of basic foodstuffs. In Rio de Janeiro, the 'Citizen's Cheque' (*Cheque Cidadão*) initiative was set up in 1999 and distributes shopping vouchers to approved needy families. Several of these CCT projects include vocational training components. See 'Apenas nove estados têm programas próprios de transferência de renda', *Valor Econômico*, 31 January (2006) and J. Graziano da Silva et al., 'The Challenges of a Policy of Food Security in Brazil'. For other Latin American experiences, see Rawlings, *A New Approach to Social Assistance*.

<sup>66</sup> Abel and Lewis, 'A Diagnosis of Social Policy'.

construction of safety nets such as *Bolsa Família* can live up to these ambitious expectations in Brazil's case. Perhaps the crux of the matter is not so much the viability of the concept itself, but how well it can be applied to provide underprivileged sectors of society with lasting access to basic services and job opportunities which may enhance their life chances.