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Brazil's *Bolsa Família* Programme

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Introduction

In October 2004, a popular television news show in Brazil reported cases of leakages and frauds in *Bolsa Família*, a cash transfer programme enacted the previous year. In subsequent weeks, several different newspapers followed the lead and published similar stories. The focus of their criticisms was not on the programme's design, but on what appeared to be significant shortcomings in its implementation (Lindert and Vincensini 2010). Exactly one year after its inauguration, *Bolsa Família* was facing a crisis of legitimacy threatening to turn it into a serious political liability for the federal government.

In October 2013, the Brazilian federal government celebrated *Bolsa Família*'s tenth anniversary, after having just accepted the Award for Outstanding Achievement in Social Security from the International Social Security Administration (*Associação Internacional de Seguridade Social*—AISS) for the programme. One year later, opinion polls conducted on the general elections (IBOPE 2014) showed that three out of four voters were 'in favour' of *Bolsa Família*. Approval was above 50 per cent across all age, sex, race, religion, school and regional groups.

In the intervening decade the programme developed its structure of governance, produced relevant policy outcomes, and overcame critical political hurdles. An interesting policy design, that initially was plagued with implementation problems became a highly successful social policy. The aim of this chapter is to explain the nature of this success.

This chapter discusses Brazil's *Bolsa Família* programme, the world's largest conditional cash transfer (CCT) in number of beneficiaries. CCTs[1] are anti-poverty transfer programmes defined by the following features: delivery of cash—as opposed to in-kind—transfers; a focus on households rather than on individuals; the inclusion of targeting mechanisms to limit transfers to impoverished households; and conditioning transfers to specific conditions to be fulfilled by beneficiary households (typically, school attendance by children and/or periodical health visits)—known as 'conditionalities'. They aim to reduce consumption poverty in the short term and to improve the productive capacity of low-income households in the medium and long term.

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The CCT model was first implemented in Brazil in 1995, at the local level, as an innovative anti-poverty intervention. Soon, this approach to combat poverty spread to other municipalities. In 2001, a set of federal CCTs was finally launched, including the programmes *Bolsa Escola* (school grant), *Bolsa Alimentação* (food assistance), and *Auxílio Gás* (cooking gas subsidy), managed by different ministries.

In 2003, *Bolsa Família* was created to overcome the conceptual and operational fragmentation of the myriad federal cash transfer programmes. It currently reaches over 20 per cent of the Brazilian population and has achieved significant results. *Bolsa Família* is widely recognized as a major policy success.

This chapter provides an insider's discussion of the emergence and consolidation of the programme, as well as a critical assessment of its accomplishments. It comprises six sections. Section one argues that *Bolsa Família* can be considered a policy success; section two discusses the historical context of the emergence of CCTs and explains their main features; section three details the development of *Bolsa Família* and its design; section four examines the challenges faced during its implementation, from 2003 to 2018; and section five assesses the sustainability and resilience of the programme. Finally, section six reflects on the main lessons learned and concludes the chapter.

Why is *Bolsa Família* a Policy Success?

Bolsa Família fits the definition of a success developed in Chapter 1 of this volume: it created and sustained valued outcomes through a coordinated policymaking process. It was the first social protection benefit in Brazil to reach the working-age poor population and their children. Many independent studies concluded that the programme has relatively precise targeting and produced significant impacts in terms of poverty and inequality reduction and the improvement of educational and health indicators. These valuable outcomes were achieved thanks to an intersectoral and decentralized structure of governance that has proven to be innovative and effective in terms of providing appropriate responses to implementation issues. These outcomes also seem to be associated with relatively high levels of public support and the resilience that the programme has been demonstrating over the last fifteen years. We will briefly examine these points.

Bolsa Família is by far the most progressive public transfer maintained by the federal government (see, for instance, Ipea 2012) and has proven a *programmatic success* in reducing poverty and inequality. In the absence of *Bolsa Família* transfers, extreme poverty in the country would be one-third higher (Soares et al. 2010). It accounts for just above 15 per cent of the fall in the Gini coefficient during the first decade of the twenty-first century (cf., among others, Hoffman 2013).

Two rounds of impact evaluation demonstrated positive effects on school attendance (Brazil 2007) and school progression (Brazil 2012). Several health outcomes improved as a result of the programme, including under-5 mortality rates (Rasella et al. 2013). Finally, concerns about adverse effects on labour supply and fertility were shown to be misplaced (see, for instance, Oliveira and Soares 2012 and Simões and Soares 2012), although expectations that the programme would lead beneficiary households permanently out of poverty have proven overambitious.

These results are related to the administrative capacity that was built over the period—the programme was a *process success*. As further discussed in the following sections, the programme was kept free of political interference. Permanent civil servants occupied key administrative positions and programme implementation was impersonal and transparent. The programme also employed appropriate mechanisms of coordination between different government areas and levels. Its decentralized architecture was considered 'innovative', promoting 'incentives for quality implementation' (Lindert et al. 2007). In other words, its structure of governance became progressively more capable of responding to technical implementation challenges, which eventually led to measurable policy outcomes.

Progress towards a more effective programme was met with growing political support—the programme was a *political success*. After being attacked for problems during the first years of implementation, the programme's administration improved and this was reflected in positive assessments from evaluation studies. Lindert and Vincensini (2010) stress the interplay between policy effectiveness and political support: technical elements that worked well—sound technical management and positive policy outcomes—fed back into political support. Positive policy outcomes led scholars and multilateral organizations to support the programme as an efficient tool in the fight against poverty in Brazil. This was relevant both domestically, where this support influenced relevant political and media sectors, and internationally, where *Bolsa Família* became an example of a highly successful policy. By mid-2014, approval rates for the programme were relatively high. There is also evidence that the programme had positive impacts on political support for incumbent candidates across three presidential elections (Zucco Jr. 2015). In the last two presidential elections, all relevant candidates declared support for the programme.

The programme has also demonstrated resilience in the face of recent political events—the *success of the policy has endured*. With the political turmoil resulting from the impeachment of President Dilma Rousseff (in August 2016) and in face of one of the most critical fiscal crises in the country's history, rumours about the retrenchment of the programme began to surface. Nevertheless, in February 2018 there were 14.1 million beneficiary families—one of the highest figures ever—and in July 2018 benefits were adjusted at above-inflation rates.

The *Bolsa Família* programme has succeeded despite continuing to face significant operational and political challenges. Its administrative structure still suffers from some weaknesses. A few conservative politicians insist on defending the view that the programme 'enslaves its beneficiaries',[2] perhaps based on unfounded arguments that it would generate 'growing dependence of Brazil's poor on income transfers' (Hall 2012). However, the mounting evidence about its impacts and the resilience demonstrated by the programme so far suggests that it can continue to be the basic pillar of the Brazilian social protection system.

The Emergence of CCT Programmes

The rise of CCTs in the mid-1990s in Brazil constitutes a break with the contributory, and clearly pro-elderly biased, social protection system. The first social insurance scheme was set in place in the 1920s, initially covering railroad workers and rapidly expanding to cover other professional categories.

The first semi- and non-contributory targeted social benefits in the country were adopted only in the mid-1970s, aimed at poor older people (aged 70 or older), poor people living with disabilities, and smallholder farmers (Schwarzer 2000; Brumer 2002). The 1988 Constitution, which was enacted as a result of the country's re-democratization following a period of military dictatorship, introduced an element of universalism in the provision of social protection (public health services stopped being delivered through social insurance and became universal) and boosted the existing semi- and non-contributory pension schemes (Schwarzer and Quirino 2002). Despite these advancements, however, the model of social protection contained in the 1988 Constitution remained strongly based on social insurance (a common feature across Latin American countries) and still presented a clear pro-elderly policy bias.

Nevertheless, democratization and the new Constitution ignited far-reaching changes. First, the new Constitution established an explicit commitment to the 'eradication of poverty' and the 'reduction of social inequality'. From this perspective, a new social contract reflecting an emerging consensus on the importance of addressing historically high levels of poverty and inequality would provide the underpinnings of social policy. Second, the new Constitution emphasized administrative decentralization and gave way to policy experimentation at the local level, which proved essential for the emergence of CCTs in the country (Barrientos et al. 2014). Finally, a reform of the Brazilian public service was carried out after the process of re-democratization (Brazil 1995). Among several reforms, new career paths were made available at the federal level, which eventually had an impact on the implementation of *Bolsa Família* ten years later.

Even so, the historical bias of the Brazilian social protection system towards older people had a silver lining: from the mid-1990s onwards, the country achieved nearly universal old-age coverage (Van Ginneken 2007; Ansiliero and Paiva 2008). In the first half of the 1990s, the headcount poverty rate for people aged 65 and older was 20 per cent of the headcount poverty rate of the entire population (Paiva 2016). In no other Latin American country were older people so underrepresented among the poor (Barrientos 2006).

However, the Brazilian labour market remained highly segmented between the formal and informal sectors, as most other countries of the region (Cruz-Saco 2002). This system was unable to provide social protection to workers in the informal sector, led to low coverage levels of the working-age population, and—not by chance—was defined as a 'radical form of conservative welfare regime' (Barrientos 2004). By the mid-1990s, there was an increasing consensus that its success was at best 'limited' (Levy and Schady 2013). Health services remained an exception in a system where no other form of social protection was extended to poor working-age adults and their families.

Children were particularly affected. In the first half of the 1990s, poverty among those aged 0–15 was almost twice as high as the overall poverty rate and almost ten times the poverty rate among older people (Paiva 2016). Despite high poverty rates among children and widespread concern, policy initiatives developed at the federal level in the 1990s did not look very promising.

Comunidade Solidária, the main anti-poverty strategy adopted during the first term of the Fernando Henrique Cardoso administration (1995–8) was limited to the delivery of compensatory measures, such as the distribution of food baskets in regions affected by severe shocks, and the coordination of relatively sparse social initiatives conducted by local governments, civil society, and the private sector (Camargo and Ferreira 2000).

There was, in fact, a significant reduction in poverty between 1993 and 1995 (as noted by Paiva 2016). However, most of it probably took place in 1994, as a consequence of the end of hyperinflation in the country.[3] In the following years, poverty rates remained unchanged. By the midpoint of its second term (1999–2002), the Cardoso administration did not have much to celebrate in terms of improvements in social indicators. It was clear that better policy initiatives would be necessary to promote poverty reduction. By then, an option was already available: a new social protection benefit had been debated, developed, and implemented at the local level.

CCTs emerged from a debate in the first half of the 1990s. A group of scholars and politicians championed the discussions on how best to fight poverty in Brazil. Negative income taxes and universal basic income proposals dominated the public debate back then. A bill sponsored by former senator Eduardo Suplicy introduced a basic income programme in 1991.[4] Some scholars advocated cash transfers to reduce poverty and lift liquidity constraints preventing household investments in child education. Redistribution through income transfers could increase investments in human capital, but such transfers were expected to be particularly efficient if they targeted poor families. Moreover, the effectiveness of income transfers to families living in poverty could be maximized if made conditional on school attendance by school-age children[5] and periodic visits to health clinics.

Cash (as opposed to in-kind) transfers; targeting; the focus on households; and conditionalities—the core ideas of CCTs—had been consolidated.

The 1988 Constitution's emphasis on administrative decentralization left room for these new ideas to be initially adopted at the local level, in the municipality of Campinas and in the Federal District, both starting in January 1995 (Lindert at al. 2007). The model spread to other municipalities in the following years, but the transition to a national policy took a relatively long time, to the point where Mexico, after sending a delegation to Brazil in 1996 to study these programmes, enacted *Progresa* in 1997.[6]

In Brazil, the federal government had launched a programme in 1998 to co-finance the spread of local initiatives introducing CCTs, but with poor results. To improve its short-term political prospects, in 2001, just one year before the presidential election, the federal government launched two broad initiatives. The first was *Projeto Alvorada*. Its objective was to drive investments in infrastructure and human capital in municipalities with below-average human development indexes. The second initiative was a set of national-level cash transfers, including *Bolsa Escola Federal* (school grants under the purview of the Ministry of Education), *Bolsa Alimentação* (food assistance under the purview of the Ministry of Health) and *Auxílio-Gás* (a targeted, unconditional cooking-gas subsidy), all enacted in 2001. These programmes were collectively termed the Network of Social Protection (*Rede de Proteção Social*).

From a conceptual and operational perspective, the Network of Social Protection was a piecemeal initiative. The constituent programmes had different eligibility criteria and conditionalities. Although *Cadastro Único* (the Single Registry for Social Programmes) had been enacted by mid-2001, and its use made mandatory for all targeted programmes with nationwide coverage, these cash transfers were based on parallel systems of administrative records. This situation would not change until 2003, with the creation of *Bolsa Família*.

The Challenge in Integrating Federal Cash Transfers: The Origins of *Bolsa Família*

The fragmentation of federal cash transfer programmes was diagnosed in 2002 in a document released by President Luis Inácio Lula da Silva's campaign team before the elections. After the elections, the new administration's transition team confirmed the same assessment. Thus, expectations were high that Lula would propose the unification of the existing sectoral cash transfer programmes as the administration's core social strategy.

Surprisingly, however, this was not what happened in the beginning of 2003. The new administration opted for an alternative—the Zero Hunger Strategy

(*Estratégia Fome Zero*)—as its main social policy initiative. It was originally formulated in 1991 and was restructured several times over the following years. The concept of food and nutrition security—the basis for Zero Hunger—was part of the platform of the Workers' Party in the campaigns for the presidential elections of 1994, 1998, and 2002. The historical commitment to this agenda might explain Lula's decision to opt for the Zero Hunger Strategy and to create a new ministry, the Ministry of Food Security and Fight against Hunger—*Ministério Extraordinário de Segurança Alimentar e Combate à Fome*—MESA) to manage it. Another decision was to introduce a new cash transfer programme—the National Programme for Access to Food, known as *Cartão Alimentação*, which added to the fragmentation of cash transfers.

Very soon it became clear that this choice was a mistake. The Zero Hunger Strategy would demand unrealistically high levels of coordination across different government agencies, the three government levels, civil society and the non-profit sector. It was too complex to be viable in a timely manner or to be fully understood by the media and the general public. In early 2003, it received an avalanche of criticisms from both within and outside the federal administration.

This led to the reactivation of the Council Office for Social Policy, originally created in 1996 and reformulated in 2003 with the task of devising strategies for social policy. Its members should find ways to overcome the conceptual and operational fragmentation of federal cash transfers. However, the ministries charged with this task were the ones responsible for existing cash transfer programmes (ministries of Education, Health, Energy, Social Assistance, and MESA) and it was no accident that they failed to adopt a viable strategy to integrate them. In comparison to merging programmes into one large unified system, fragmented cash transfer programmes made more political sense for each ministry involved.

By this time, the Presidency had already decided to unify all cash transfers and created a working group drawn from the Council Office for Social Policy, with sufficient political power to enforce integration. This group worked from March to October 2003 on the design of a new, unified CCT spanning the entire national territory. The programme would be implemented in a federative context and would involve at least three government sectors (Social Assistance, Education, and Health), demanding strong coordination between different government levels and agencies.

In a continent-sized country such as Brazil, good targeting and adequate monitoring of conditionalities could only be achieved if programme design was kept as simple as possible. Capacities at the local level vary considerably and not all municipalities would be able to perform excessively complex administrative tasks. Community-based targeting mechanisms, for instance, might sound very attractive and inclusive, but they would make the practical implementation of *Bolsa Família* virtually impossible. The limited social assistance staff at the local level would also advise against the use of any other highly personnel-demanding form of means test. Thus, the decision was made to select beneficiaries based on their self-reported income.

It was important that the value of the transfer to be received by households—with priority given to an adult woman of the family—could be easily understood by beneficiaries and the public at large. It was set as the sum of two components. The 'basic benefit' was to be paid to all extremely poor families (with a per capita income of up to R$50 in 2003[7]). The basic benefit was set at R$50. A 'variable benefit' was to be paid to both extremely poor and poor families (with a per capita income of up to R$100), conditional on the presence of children in the household, for each child up to three (to avoid any possible fertility-increasing incentives). The amount for this additional variable benefit was set at R$15. Therefore, beneficiary households could receive between R$15 and R$95, depending on the family group and poverty status.[8]

Monitoring conditionalities can be very demanding. An alternative option in this context might have been an unconditional cash transfer. However, the perception at the time was that conditionalities could not only increase the impact of the programme, but also contribute to its legitimacy.[9] The decision was to adopt a minimal set of conditionalities: school attendance for children and visits to health clinics for timely vaccination, and prenatal/postnatal care.

After a six-month deliberation period regarding these challenges, *Bolsa Família* was finally enacted[10] with three main objectives: (i) immediate poverty alleviation through income transfers; (ii) mid- and long-term poverty reduction, achieved by increasing the demand of households for education and health services; (iii) improved labour market prospects for adult members of beneficiary households through job training, microcredit, and other initiatives aimed at avoiding *negative dependence*.[11]

Political support from the Presidency was decisive in ensuring that *Bolsa Família* would be adequately funded in the following years. The decision to integrate the existing cash transfers was politically difficult but correct from a technical point of view. However, the most challenging aspect was yet to come: the actual construction of an effective programme.

Challenges in the Implementation of the *Bolsa Família* Programme

The first managers of *Bolsa Família* faced the task of creating a new CCT that deviated significantly from previous nationwide programmes. The limited and fragmented scale of pre-existing programmes led to large coverage gaps while, at the same time, their different rules and administrative records allowed for overlaps (Cotta and Paiva 2010). In the same neighbourhood, it was possible to find families with similar socio-economic conditions with markedly different access to transfers. *Bolsa Família* was meant to unify the target population, the eligibility criteria, and the administrative structure of these transfers.

When the programme emerged, it was a political imperative to rapidly increase coverage. In December 2003, 3.6 million households were already enrolled in the programme, most of them after migrating from previous CCTs. By the end of 2004, this figure climbed to 6.6 million households. Nonetheless, the programme inherited a delicate administrative situation. Several isolated administrative registries had to be merged into the Single Registry. The operational structures to be used in monitoring conditionalities were yet to be established. Effective targeting mechanisms needed to be developed. Proper arrangements between the federal, state, and local governments and across different government sectors, defining clear roles and responsibilities, were virtually non-existent. The programme faced what Lindert and Vincensini (2010) called the 'scaling-up dilemma', where expansion takes place at the same time as critical governance structures are under construction, leading to shortcomings in implementation.

At that point, *Bolsa Família* could have turned out to be either a political asset or a liability. In 2004, the programme suffered a great wave of criticism. The team heading the secretariat responsible for the programme and for the Single Registry was composed of academics and people connected with the Workers' Party. Their academic and political credentials could have been an asset during the policy formulation phase, but their lack of administrative experience was becoming a problem during implementation.

This crisis of legitimacy led to a major change in the secretariat's board of directors. The new management team was essentially composed of civil servants, most of them coming from career paths created or recovered by the administrative reform of the mid-1990s. Their job was to provide expertise related to the public policy cycle (design/formulation, implementation, and evaluation of public policies). This group of civil servants lacked the academic credentials and political connections of the first managers, but had the professional experience needed to address critical points of the programme's implementation. These included poor quality data in the Single Registry, gaps in the normative basis of *Bolsa Família* and the Single Registry, and deficits in inter-sectoral and federative coordination.

Federal and local coordination was vital for the implementation of *Bolsa Família* and the Single Registry, both dependent on the work performed at the local level.[12] A formal commitment between the federal and local governments, defining clear responsibilities for both sides, was signed by all 5,570 Brazilian municipalities. Executive orders were used to establish the role of different government agencies and the role of *Caixa Econômica Federal*, a state-owned bank that provided the IT platforms for registering low-income families in the Single Registry and for paying out benefits across the country.

Municipalities that had their own CCTs could continue to run them normally after the introduction of *Bolsa Família*, since no government level has a constitutional prerogative over this type of programme. However, the federal government developed an attractive option for local governments: associating their programmes with *Bolsa Família*, an agreement that could increase coordination between both levels of government and lead to lower administrative costs for the municipality, as well as higher benefit levels for beneficiary households. Local governments could take advantage of the IT platforms developed for *Bolsa Família* and the Single Registry provided by *Caixa*, whose costs would be fronted by the federal government. Although several agreements were signed, the massive presence of *Bolsa Família* eventually had a crowding-out effect and most local governments dropped their own programmes.[13]

Later, the federal government introduced specific incentives for municipalities to improve the quality of data in the Single Registry. These incentives were eventually turned into a performance-based transfer to co-finance activities conducted by local administrations. The Index of Decentralized Management (*Índice de Gestão Descentralizada*—IGD) is both a measure of the performance of local administrations and a weight that regulates the increase or decrease of these transfers. At the federal level, strong political commitment to *Bolsa Família* ensured an adequate budget and bureaucratic insulation from everyday politics.

The actual monitoring of conditionalities only started in 2006. The ministries of Education and Health, in close coordination with their counterparts in local governments, were responsible for verifying the compliance of households. This monitoring was electronic and did not represent any transaction costs to the households themselves. *Bolsa Família* went for a 'soft' approach in the monitoring of conditionalities: sanctions for non-compliance started with a warning letter and a beneficiary household could only be excluded from the programme after four rounds of non-compliant behavior.

In 2006, a more resilient *Bolsa Família* met its coverage target of reaching 11.6 million households (roughly 45 million people). Over the following years, both the programme and the Single Registry went through several improvements in their design and implementation. In 2007, for instance, the programme was expanded to cover adolescents aged 16 and 17, a critical age for school drop-outs and early entrance in the labour market. Legal and operational improvements of the Single Registry also took place during this period. A new executive order regulating the Single Registry was published in 2007 and there was a considerable increase in the number of social programmes using it. Finally, systematic cross-checks between the Single Registry and other administrative registries from the federal government started to take place, preliminarily in 2005 and periodically from 2007 onwards, to assess inconsistencies and improve the quality of the data.

In 2009 and 2010, the programme's reach was reassessed. Up to that point, the target number of beneficiary households—11 million—was based on an estimate of households living below the eligibility criteria threshold, based on the PNAD survey conducted by the Brazilian Institute of Geography and Statistics (*Instituto Brasileiro de Geografia e Estatística*—IBGE), a general-purpose cross-section survey. However, the number of potentially eligible households in the Single Registry was becoming significantly larger than the estimates indicated. A potential explanation for this discrepancy, posited by Soares (2009), was that a cross-section survey captures those living in poverty at a given point in time—the last week of September in the case of PNAD—while a potentially large number of low-income households, which depended on very volatile labour income, could be marginally above the poverty line at the time the survey was conducted. Considering a longer period of time, using panel data from the Monthly Employment Survey (*Pesquisa Mensal de Emprego*—PME), also conducted by the IBGE, Soares showed that the number of eligible households was considerably larger than point-in-time estimates. By the end of 2010, the programme expanded to reach almost 13 million households.

Also in 2009–10, from an operational perspective, the realization that many beneficiaries experienced volatile labour income led to ensuring that participant households would receive transfers for two years, even if in the intervening two years their monthly per capita income was above the eligibility threshold. Households would be excluded from the programme only if their income remained consistently above the eligibility criteria after two years, which could be interpreted as a signal of a stable income.

Finally, a new version of the Single Registry was introduced in 2010, encompassing both a new questionnaire form, closer to those used in official household surveys, and a new IT solution. This new solution was planned to operate online with nationwide coverage, so as to avoid the inconsistencies typically found in offline solutions. The obvious challenge was to have operational internet connections across all Brazilian municipalities, including those in the Amazon. Both the new version of the Single Registry—version 7.0 or V7—and the old version coexisted until all municipalities had migrated to the new system in 2013.

From 2011 onwards, *Bolsa Família* and the Single Registry became the main instruments of a broad policy and political initiative to overcome extreme poverty in the country—the Brazil Without Extreme Poverty Plan (*Brasil sem Miséria*—BSM). The emphasis on actively reaching low-income households led to an increase in the number of households in the Single Registry: in 2014, it contained up-to-date information on 24 million households—around 40 per cent of the Brazilian population. With the new questionnaire form, it became possible to identify households from groups who frequently suffered from prejudice and cultural and linguistic barriers.

In 2011, benefits were adjusted at above-inflation rates, with substantial increases in the variable benefit paid to families with children up to 15 years old. The maximum number of children per family covered by the additional variable benefit was increased from three to five following initial evidence that the programme had no impact on fertility. These benefits were also extended to families with pregnant or breastfeeding mothers.

In 2012, the number of potential beneficiary households of the programme increased to 13.8 million and a new top-up benefit, the Benefit for Overcoming Extreme Poverty (*Benefício para Superação da Extrema Pobreza*—BSP) was introduced as part of *Bolsa Família*. During the first phase, only households with children aged from 0 to 6 years old were eligible for the BSP, but in February 2013 all extremely poor beneficiary households became eligible.

Also in 2012, monitoring of conditionalities was reoriented. The new aim of monitoring was to use data about non-compliance to 'activate' social assistance staff at the local level. Exclusions from the programme due to non-compliance became very rare. They could occur only after one year of monitoring by a social worker. The number of benefits cancelled for non-compliance was reduced from 17,500 in May 2012 (0.13 per cent of the beneficiary families) to 241 households in May 2014 (0.002 per cent of the beneficiary families).

Benefits and eligibility criteria were adjusted in March 2014, in June 2016, and in May 2018. In May 2018, the extreme poverty line was set at R$89 (or US$36,80, using the PPP conversion factor for private consumption for 2011, updated to May 2018) and the poverty line set at double the extreme poverty line (R$178, or US$73.60).

In October 2018, *Bolsa Família* celebrated its fifteenth anniversary, a significant achievement in the Brazilian context. In January 2018, the programme paid benefits to 14 million households, at an average level of R$178 (or US$74.16, using the PPP conversion factor for private consumption updated to January 2018). These households include more than 13 million students aged between 6 and 17 years old, whose school attendance is monitored. They also include 5.7 million children up to 6 years old, whose health status is also monitored. Virtually all pregnant women monitored by the programme have their prenatal schedule in order. Roughly 28 million households are covered by the Single Registry and have access to many other social programmes.

Sustainability and Resilience

Bolsa Família faced two major crises of legitimacy. The first occurred early in the history of the programme, mostly driven by implementation issues. The second was a by-product of the transition to a new administration, after the impeachment of President Dilma Rousseff in 2016.

As previously mentioned, the programme faced significant challenges during 2003 and 2004. First, the unification of pre-existing federal cash transfers into *Bolsa Família* was not exactly smooth. Actors identified with these programmes resisted integration throughout the policy design phase and for some time after that. They lost power as a result of the unification of the federal cash transfers and, although this process was a clear step forward for the government and the country as a whole, from the perspective of these sectors it could be viewed as a loss of political power.

However, political resistance was not the only problem. During this period, the normative, administrative, and managerial structures of *Bolsa Família* had not been completed and several implementation problems emerged. The team responsible for the programme's administration in 2005 was successful in implementing management and policy improvements, which eventually had a positive impact on both policy indicators and on its legitimacy and political support. The programme would soon be considered a global reference case on how to implement a cash transfer in a diverse federal country of continental size. *Bolsa Família* became the largest CCT in the world and, together with Mexico's *Prospera*, has been considered a model for countries which had already adopted or are interested in adopting CCTs.

More recently, after the impeachment of President Rousseff in June 2016, the programme faced a different crisis of legitimacy. Despite its programmatic success, it was clearly associated with the administrations of the Workers' Party. After her re-election in 2014, President Rousseff rapidly lost popular support, which in turn affected the political support for the programme. Data collected by Cesar Zucco Jr., kindly shared with the authors, indicates a drop in the share of the population that approved the programme in 2015, compared with 2014. From the perspective of the new administration, criticizing aspects of the programme's design and implementation was an obvious way to attack their predecessors. Most of the criticism was directed at targeting accuracy. This was largely based on anecdotal evidence, since *Bolsa Família* continues to be one of the best targeted CCTs in Latin America (Soares et al. 2017).

This criticism led to more robust cross-checks of data from the Single Registry, including beneficiaries and non-beneficiaries, against other administrative registries available to the federal government. However, the overall strategy was not substantially different from the one adopted in 2005 and maintained systematically from 2007 onwards.

Concerns that the new administration would embark on a retrenchment of *Bolsa Família*, fuelled by rumours about the purge of millions of benefits due to budget constraints, were lifted as these cuts did not materialize. The programme remains largely the same in terms of beneficiary household eligibility and the budget remains relatively unchanged, even under very challenging fiscal conditions.

What is the source of the programme's resilience? As argued by Lindert and Vincensini (2010), there seems to be a connection between *Bolsa Família*'s increasing effectiveness and the political support that the programme eventually garnered. Its scale and positive outcomes help explain why it has been resilient, especially in recent years defined by a troubled political environment and a deep fiscal crisis.

The trajectory of *Bolsa Família* corroborates the hypothesis by Pierson (1996) about the resilience of social protection programmes in general. A significant retrenchment of a programme of this kind would only be possible in scenarios of severe fiscal crisis and under very specific political conditions. Even in such a context, governments would tend to be cautious, due to the possible political costs of decreasing benefit levels or strongly reducing the number of beneficiaries. Changes tend to be limited and incremental.

This seems to be the case for *Bolsa Família*. The country faced a severe economic downturn and underwent a fiscal crisis in 2015–16, a period during which President Rousseff, from the leftist Workers' Party, lost political support and was eventually impeached. The political group that took over the federal government can be defined as much more conservative, which raised concerns about how the programme would be conducted. However, a significant retrenchment would be difficult. With 14 million beneficiary households, any large cutbacks in the programme would come at dire political cost. This is especially true given that the World Bank (Skoufias et al. 2017) and the Organisation for Economic Co-operation and Development (OECD 2018), among other relevant international and domestic actors, are openly advocating for larger investments and the expansion of CCTs.

Therefore, after a short critical period, the new administration has started taking credit for the administrative improvements made in 2016–18, such as: adjustments in the benefit level (in 2016 and in 2018); the use of new administrative records to cross-check against the Single Registry; and the public commitment that all eligible households would immediately become beneficiaries. However, there remains some ambiguity. Given a choice, current decision-makers would probably prefer to prioritize initiatives aimed at 'teaching the poor how to fish instead of giving them a fish'. As this is not politically feasible, they have come to accept the advantages of *Bolsa Família*, while seeking to effect changes to its targeting and management.

The same analysis applies to other countries in Latin America and the Caribbean that have also experienced a shift towards more conservative administrations, while still facing the economic consequences of the 2008–9 great recession. They have adjusted their CCTs, marginally reducing their coverage from a peak of 22.7 per cent of the population in 2010 to 20.2 per cent in 2016. They have also cut the average expenditure of 0.38 per cent of gross domestic product (GDP) in 2014 to 0.33 per cent of GDP in 2015 (Cecchini and Atuesta 2017). Nonetheless, considering the economic and political contexts that these countries have experienced, our main conclusion is that these adjustments are a sign of resilience rather than of weakness. In many of these countries, CCTs remain the only layer of social protection available to those outside the formal sector.

From a political perspective, however, *Bolsa Família* is still in a delicate position. While developed countries offer a broad range of public policies to address poverty, unemployment, and vulnerability, *Bolsa Família* bears the responsibility of being the only layer of social protection for low-income groups and for workers in the informal sector and their families. Public expectations of what the programme can accomplish are perhaps too high. The mistaken idea that it should single-handedly and permanently eradicate poverty often surfaces in the media and among policy-makers.

It is important to acknowledge the limitations of the programme in its capacity to address the multi-dimensional nature of poverty and vulnerability, including highly volatile and unequal labour market conditions. The programme will remain an imperfect tool to address the range of social risks faced by its beneficiaries. A more comprehensive and sophisticated set of redistributive policies would probably be necessary to reduce the pressures on the programme.

Conclusion

CCTs emerged in Brazil in the mid-1990s from local governments' innovative policies and experiences. In Mexico, *Progresa* was implemented in 1997 at the federal level. These programmes have gradually become the first and only social protection layer for low-income groups and those dependent on informal employment in several countries in Latin America and the Caribbean. They represent a break from the prevailing social protection systems in these countries, which were historically based on social insurance and with a clear bias towards older people, leaving large sections of the population unprotected.

In 2003, *Bolsa Família* unified various pre-existing nationwide CCTs in Brazil, which were based on different eligibility criteria and relied on independent administrative registries. This was a substantial administrative challenge to overcome, and it speaks to the procedural success of the policy. Strong political commitment pushed the programme towards a rapid expansion, in a period when critical mechanisms of governance were still under construction (Lindert and Vincensini 2010). The programme faced a crisis of legitimacy just one year after its enactment. The main staff were replaced and a series of administrative developments followed.

Over the years, national and international experts and agencies have conducted evaluations of the programme. These evaluations have found effective targeting of low-income groups, positive effects on the reduction of poverty and inequality, and improvements in educational and health outcomes. *Bolsa Família* has very low administrative costs and in terms of transfer budgets. It has received strong support from multilateral institutions and from social protection specialists, both domestically and abroad. Evidence points to an expressive programmatic success.

Political success emerged over time. Initial political resistance to the programme eventually abated: what worked technically eventually started working politically. In a poll conducted in August and September 2014, a strong majority of voters—75 per cent—declared to be 'in favour' of the programme. Across all age, sex, race, religion, education, and regional groups, approval was above 50 per cent. All the relevant candidates for that year's presidential election also declared their support for the programme. A first important lesson to be learned relates to the interplay between policy effectiveness and political support. Effectiveness, as demonstrated by robust evaluation, though not the only factor in boosting political support, seems to be quite relevant.

More recently, with the economic downturn, the impeachment of President Rousseff and the election of Jair Bolsonaro, *Bolsa Família*—symbolically linked with the Workers' Party—has lost some of its political support. The country's post-impeachment political and economic context was challenging: the new administration was certainly more conservative, and the country faced one of its worst fiscal crises ever. One could fear a strong retrenchment, with a significant cut in number of beneficiaries and in the budget. However, the programme has remained strong even through this difficult period. The number of beneficiary households is at an all-time high, relevant stakeholders such as the World Bank and the OECD have reinforced their support, and the programme's budget has been reduced only marginally in real terms.

A second lesson is that large social protection programmes tend to be resilient, even in difficult times. Pierson's explanation for the resilience of welfare state programmes against retrenchment is that redistributive programmes are more likely to develop under left-wing administrations, with the support of strong unions, but they do not necessarily depend on them when facing adverse contexts. This is simply because, once established, they create a decisive group of supporters—their own beneficiaries. Cutting these programmes implies political costs, and even administrations inclined to adopt these cuts must reconcile their 'policy preferences' with their 'electoral ambitions' (Pierson 1996).

From a short-term political perspective at the time of writing, the election of Bolsonaro in the October 2018 presidential ballot could present a major challenge. In previous elections, viable moderate candidates have opted to declare their support for the programme, but Bolsonaro's position is far less clear. During the campaign, he suggested that ending the programme would be inhumane, but on the other hand he also stated that the state should be less supportive of certain groups, including those who could be considered disadvantaged. There are clear political costs in producing a major change in the programme, but they might seem affordable to an unconventional politician who is also determined to rewrite the rulebook in other areas of policy.

Even if these immediate challenges are overcome, from a medium- to long-term perspective, the tendency is that the programme will remain under close scrutiny as it is the only layer of social protection for those in the informal sector. CCTs are subject to excessive expectations. Only a comprehensive and inclusive set of social policies and programmes can ensure the eradication of poverty and the reduction of vulnerability.

The good news is that the CCT model has already proven to be extremely flexible, able to fit and thrive in different regional contexts. Twenty-three years after their emergence in Brazil, CCTs have become an anti-poverty policy widely acknowledged as effective. Many countries have been developing original solutions to the many challenges faced by such programmes, from how to deliver transfers in remote areas to how to effectively target the poor without producing large exclusion errors. Sharing these international experiences has been extremely fruitful for national teams to increase the effectiveness of their own programmes.

Of course, criticisms of CCTs still persist. From the conservative side, there are those who insist that these programmes reduce labour supply and increase fertility. However, evidence from impact evaluations has to date rejected this claim, and they have not become so politically damaging as to put CCTs at risk. From the Left, some will say that targeting and conditionalities inevitably result in the exclusion of some groups from their right to social protection. Yet even these critics should recognize that CCTs are the only configuration of social protection that reaches low-income groups and workers in the informal sector and their families. Such programmes have made social protection more likely to reach these groups, not less.

Additional version of this case

The case study outlined in this chapter is accompanied by a corresponding case study from the Centre for Public Impact's (CPI) Public Impact Observatory—an international repository of public policies assessed for their impact using CPI's Public Impact Fundamentals framework. CPI's framework provides a way for those who work in or with government to assess public policies, to understand why they were successful, so key lessons can be drawn out for future policy work. The case can be easily located in the CPI repository at www.centreforpublicimpact.org/observatory.

Notes

1. CCTs are one of the main instruments of social safety nets (SSN)/social assistance (SA) programmes, defined as 'non-contributory interventions designed to help individuals

and households cope with chronic poverty, destitution and vulnerability. SSN/SA programmes target the poor and vulnerable' (World Bank 2018: 5).

2. Statement from Rodrigo Maia, the Speaker of the House of Representatives, available at https://oglobo.globo.com/brasil/maia-afirma-que-bolsa-familia-escraviza-as-pessoas-22296779.
3. Inflation in 1993 was upwards of 2,000 per cent per year. It dropped dramatically, from almost 50 per cent in May 1994 to 1.9 per cent in July of the same year. However, it is impossible to know exactly what happened with poverty between 1993 and 1995, since the National Household Sample Survey (*Pesquisa Nacional por Amonstragem de Domicílios*—PNAD), the main source of information regarding poverty in the country, was not conducted in 1994.
4. Senate Bill no. 80/1991. Available at http://www25.senado.leg.br/web/atividade/materias/-/materia/1270. The bill was approved by the Senate but was never brought to a vote in the House of Representatives (Lindert et al. 2007; Cotta 2009).
5. See, for instance, Buarque (1993) and Almeida and Camargo (1994).
6. *Progresa* was later relabelled *Oportunidades* and, more recently, *Prospera*. It was initially implemented in marginalized rural areas but was later scaled up to have nationwide coverage.
7. Or US$45.88, using the PPP conversion factor, private consumption, 2011, adjusted for October 2003.
8. That is, from US$13.76 to US$87.17, using the PPP conversion factor, private consumption, 2011, adjusted for October 2003.
9. It seems that these perceptions were correct. There is growing evidence about the impact of conditionalities per se (cf. Baird et al. 2013 and, for the *Bolsa Família* programme specifically, Paiva et al. 2016). Zucco Jr. et al. (2016) suggest that the impact of conditionalities on the overall political support for *Bolsa Família* is modest, but 'considerably larger' among groups that are less inclined to support the programme.
10. First as Provisional Law no. 132, from October 2003, then converted into Law no. 10,836, from January 2004.
11. In social policy, 'negative dependence' can be defined as a situation where 'current needs are met at the cost of reducing the recipient's capacity to meet their basic needs in the future without external assistance' (Lentz et al. 2005).
12. The 1988 Constitution bestowed the federal government, the states, and local governments in Brazil equal decision-making power.
13. Partnerships with states were also signed, especially after 2011. Currently, a few agreements are still operational (four with states and two with municipalities). For a recent evaluation about the post-2011 agreements, see Licio et al. (2018).

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