



Aspects of Social Security in Brazil

From Fome Zero to Brasil Sem Miséria

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Abbreviations

AGENDE	Ações em Gênero, Cidadania e Desenvolvimento (Action for Gender, Citizens Rights and Development)
ASA	Articulação no Semiárido (NGO-Network in the semiarid Northeast)
CEB	United Nations System Chief Executives Board
CI	Carteira Indígena (Indigenous Fund)
CIMI	Conselho Indigenista Missionário (Indigenist Missionary Council)
CONAB	Companhia Nacional de Abastecimento (National Supply Company)
CONSEA	Conselho Nacional de Segurança Alimentar e Nutricional (National Food and Nutrition Security Council)
EMBRAPA	Empresa Brasileira de Pesquisa Agropecuária (Agricultural research agency)
FAO	Food and Agriculture Organization
FUNAI	Fundação Nacional do Índio (National Indian Foundation)
FUNASA	Fundação Nacional de Saúde (National Health Foundation)
GDP	Gross Domestic Product
IBASE	Instituto Brasileiro de Análises Sociais e Econômicas (Brazilian Institute of Social and Economic Analysis)
IBGE	Instituto Brasileiro de Geografia e Estatística (Brazilian Geography and Statistics Institute)
IDF	Índice de Desenvolvimento da Família (Family Development Index)
IGD	Índice de Gestão Descentralizada (Index for decentral administration)
ILO	International Labour Organization
INPC	Índice Nacional de Preços ao Consumidor (Consumer price index)
INSS	Instituto Nacional de Seguridade Social (National Institute for Social Security)
IPEA	Instituto de Pesquisa Econômica Aplicada (Institute of Applied Economic Research)
LOSAN	Lei Orgânica de Segurança Alimentar e Nutricional (National Law on Food and Nutritional Security)
MDS	Ministério do Desenvolvimento Social e Combate à Fome (Ministry of Social Development and Combat against Hunger)
MESA	Ministério Extraordinário da Segurança Alimentar (Special Ministry of Food Security and Hunger Combat)
PAA	Programa de Aquisição de Alimentos (Food Acquisition Programme)
PAC	Plano Nacional de Aceleração do Crescimento (Growth Acceleration Program)
PBF	Programa Bolsa Família (Family Grant Programme)
PNAE	Programa Nacional de Alimentação Escolar (National Program on School Meals)
PNGATI	Política Nacional de Gestão Ambiental de Terras Indígenas (National Program for Environmental Management in Indigenous Lands)
PRONAF	Programa Nacional de Fortalecimento da Agricultura Familiar (National Program for Strengthening Family Farming)
RECID	Rede de Educação Cidadã (Network for Citizen Education)
SENAES	Secretaria Nacional de Economia Solidária (National Solidarity Economy Secretariat)
SENARC	Secretaria Nacional de Renda de Cidadania (National Secretariat for Citizen Income)
SESAN	Secretaria Nacional de Segurança Alimentar e Nutricional (National Secretariat

Abbreviations

	of Food and Nutritional Security)
SESEP	Secretaria Extraordinária de Superação da Extrema Pobreza (Secretariat of Extreme Poverty Eradication)
SISAN	Sistema Nacional de Segurança Alimentar e Nutricional (National Food and Nutritional Security System)
SNAS	Secretaria Nacional de Assistência Social (National Secretariat for Social Assistance)
SUAS	Sistema Único de Assistência Social (Unified Social Assistance System)
SUS	Sistema Único de Saúde (Unified Health System)
UNDP	United Nations Development Programme

Foreword

Even small changes in policies aimed at promoting social justice encounter many obstacles. The fall in the São Paulo Stock Exchange in 2002, when international direct investments were withdrawn in response to an increase in Brazil's risk ratings, illustrated the challenges and imperatives that restrict the government's freedom of manoeuvre in the field of social policy. Even while maintaining an extremely restrictive macroeconomic policy and putting forward few proposals to change the economic model, the Brazilian government has, since 2003, pursued the political objective of reducing hunger in the country, which despite its wealth is classified as one of the most unequal in the world in international rankings.

This study gives a broad view of the reorganisation of the non-contributory social security system in Brazil between 2003 and 2012 in line with the provisions of the 1988 Federal Constitution. The institutional reforms introduced to promote the construction of a social policy, as one of the central pillars of the country's social security system, encountered major resistance from the social groups protected by the contributory social insurance system, who were also the beneficiaries of a series of fiscal incentives.

The recent crises in the financial, energy and food supply sectors have generated a greater international consensus about the importance of social assistance as an instrument for social protection and the adoption of an inclusive, sustainable and human rights-oriented social policy.

Three-quarters of the world's population lives without social protection. Many of these people are children and young people aged 21 or under and single mothers who receive insufficient income because of the lack of facilities for their children and their own lack of professional qualifications. Brazil started to respond to this problem and in recent years, 52 million people have received payments through Bolsa Família, a conditional cash transfer programme. In the years to come, the pro-

gramme will be extended to include a further 16 million people who still live in extreme poverty, 40 percent of whom are children aged 14 or under.

The General Comment of the United Nations Economic and Social Council (E/C.12/GC/19) in 2008 on the human right to social security and the Social Protection Floor Initiative taken by the United Nations System Chief Executives Board (CEB) in April 2009 also highlighted the importance of the Brazilian experience in building a social security system designed to guarantee human rights and provide a response to the many crises.

As a new paradigm for development policies, there are fundamental questions to be raised about non-contributory social assistance programmes. First, what is their place in the context of the universal nature and institutionalisation of human rights and the dimension of protection. Second, are social policies really effective. One perspective is informed by considerations about demands made on the national budget and labour market. The other is prompted by uncertainty about the capacity of social policies to promote change, given endogenous and exogenous heterogeneities that generate insecurity and deprivation, for example, unequal access to resources, opportunities and training.

Starting from an integrated concept of socioeconomic and human development, this study focuses on the issues that make understanding and implementing social security systems so difficult. As you will see, there has not been much success in resolving the problems caused by the fragmentation of sectors. We know that institutional reforms are in the process of construction in Brazil. It is therefore indispensable for organised civil society and the general public to take action to promote the institutionalisation of rights and the democratisation of social, economic and cultural policies.

The present study is the result of a rewarding cooperative initiative by "Brot für die Welt" and IBASE between September 2011 and April 2012. The preliminary results were debated at a workshop organised by IBASE in Rio de Janeiro in December 2011 and attended by representatives of organised civil society, local univer-

sities, IPEA and the Ministry for Social Development and the Fight against Hunger. We are grateful to the workshop participants and also to various officials from different ministry departments who were open to intensive consultation about different aspects of the social programmes currently being implemented. Finally, we would like to thank Indigenist Missionary Council (CIMI) for its contribution about the inclusion of indigenous peoples in recent government policies.

Dr. Lucimara Brait-Poplowski
Brot für die Welt

Introduction

The democratisation of Brazil in the second half of the 1980s created the conditions for writing a new constitution, which defined social security as an integrated series of government and civil society actions and initiatives to guarantee the rights to health, social insurance and social assistance. However, as almost everywhere else in the world, the dominant influence of neoliberal thought on national economic policy at that time prevented the new democracy from making any significant and continuous progress in the field of social policy, especially in terms of guarantying universal social rights, as determined in the Brazilian Constitution 1988.

The political decisions made by Luiz Inácio Lula da Silva's government as from 2003, reversed the conservative tendency that had prevailed until then. Its "Zero Hunger Plan" (Fome Zero) launched a new social policy and a process of institutional reorganisation and expansion that aimed to guarantee social rights by promoting economic activities, creating new ways of generating income by strengthening family agriculture¹ and introducing the conditional cash transfer programme, nationally known as "Bolsa Família", an instrument for making conditional cash transfers to families suffering from poverty or extreme poverty.

In June 2011, the Brazilian government, now led by President Dilma Rousseff, launched a new plan, called "Brazil Without Misery" (Brasil sem Miséria) with the ambitious aim of eradicating extreme poverty in Brazil by 2014.

This study describes Fome Zero (2003), which introduced Bolsa Família and complementary programmes, and Brasil Sem Miséria (2011). It tries to answer five questions:

■ What legal and institutional changes have taken place?

■ What were the programme objectives?

■ How were the programmes implemented at each level of government?

■ What resources were available to the programmes and what were their costs?

■ What was the scope and what were the limitations of social programmes to reduce poverty and promote social and economic inclusion in Brazil?

Chapter one presents the constitutional framework for the construction of the social security system in Brazil and examines the economic and social questions that prevented the broader or universal rights to social security, as established by the Brazilian Constitution and incumbent on the Brazilian state by virtue of the international agreements it has ratified.

Chapter two describes Fome Zero's political strategies and programmes. It looks at how the plan sought to provide social protection and promote productive capacities by: i) increasing access to food; ii) developing family agriculture; iii) supporting income generation and iv) encouraging civil society networking, mobilisation and social control.

Chapter three presents the objectives, conditions and costs of the Bolsa Família Programme. It also looks at the institutional modernisation that allowed the government to integrate and unify the Bolsa Família and consolidate the Unified Register (Cadastro Único). Chapter four critically assesses the social policy of Luiz Inácio Lula da Silva's government between 2003 and 2010. Chapter five discusses the impact of Brazil's social policy on indigenous people and highlights their special situation and the consequences of including them in the programmes.

Chapter six describes the Brasil sem Miséria's objectives and the institutional changes it made. The plan tries to

¹ In Brazil the commonly used term is "familiar agriculture", which involves the use of low technology and family labour. The FAO also uses the expression "small-scale agriculture".

adapt social policies to take account of the diversity of economic and social deprivation that characterises extreme poverty in Brazil. Chapter seven makes a critical analysis of what has been done so far and what remains to be done to achieve social inclusion. This is followed by some final comments on the Brazilian experience of building a social security system into today's international context.

1 The legal framework for the construction of the social security system in Brazil

1.1 Federal Constitution of 1988

In the process of reestablishing democracy in Brazil, which began in the 1980s and took place at the same time as the economic and financial crisis at the end of the military dictatorship, saw an upsurge in the struggle to restore the rule of law and reform social policy. Overcoming the social debt became a central issue for urban and rural social movements, non-governmental organisations, the new trade unions, movements in the health and sanitation sectors and the universities. This emerging and diverse social alliance sought to establish a rights-based agenda and a new system of social policies and advocacy by presenting amendments to the National Constituent Assembly, inaugurated in February 1987 and concluded with the promulgation of the Federal Constitution on 5 October 1988.

It is recognised that the Constituent Assembly was one of the most historically important manifestations of public participation and democratic progress in Brazil. The Federal Constitution² of 1988 was, without doubt, a turning point for social security. It started a still unfinished quest to reconfigure the national system of social policies and create a social security model based on universal rights and non-discrimination.

This national process took place in an ideological context that was not favourable to the construction of a rights-based agenda. At the international level, free market and conservative thought was hegemonic and sought to strengthen the private sector, regulated only by the market and a minimalist state and, consequently, to deconstruct the social policies guaranteed by the Constitution.

Swimming against the tide of the neoliberal agenda, the Federal Constitution of 1988 represented progress because it recognised a series of social rights.

“Education, health, food, work, housing, leisure, security, social insurance, maternity and infant protection, assistance for the destitute are social rights, as set forth in this Constitution.” (Brazil, 1988. Art. 6)

In 2010, the Constitution was amended to include the right to food, after campaigns by social movements and other organisations and a maturing of national policy on food security.

The Constitution, in the chapter on Social Order, includes the concept of integrated services and the guiding principles of social security:

- Universal coverage and service provision; uniform and equivalent benefits and services for urban and rural populations;
- Equitable and redistributive provision of benefits and services; the irreducibility of the value of benefits; equitable funding;
- A diverse funding base, democratic and decentralised administration and community participation.

The adoption of an integrated concept of social security expressed the emerging new social pact, based on solidarity and the inclusion of citizens requiring social assistance.

“Social security comprises an integrated series of actions initiated by the government and society, with the purpose of ensuring the rights to health, social insurance and social assistance.” (Brazil, 1988. Art. 194)

² Brazil. Federal Constitution, 5 October 1988, with Constitutional Amendments n° 1/1992 to 61/2009 and Constitutional Amendments n° 1 to 6/1994. Brasília: Chamber of Deputies of Federal Republic of Brazil, 2009. See <http://www.v-brazil.com/government/laws/constitution.html>.

The 1988 Constitution introduced the idea of universal social rights. Until then, rights were based on the principles of contribution and merit, meaning the occupation and income of individuals in the productive structure (Oliveira/Teixeira 1986). As the context for such policies was a society characterised by unemployment and informal work, they were therefore highly exclusive.

Constitutionally, there are three pillars to the social security system: health, social insurance and social assistance. Social security policies can be classified into contributory and non-contributory policies. This study deals only with non-contributory social insurance benefits and with measures related to social promotion and protection, concepts widely adopted by Brazilian society and which correspond to the objectives of social policy.

The 1988 Constitution also redefined the right to health so that it complied with the principle of universal coverage. The Unified Health System (“Sistema Nacional de Saúde”) set out to guarantee equal and universal access, with the state responsible for service provision, although the possibility of complementary private sector service provision was not excluded.

The Constitution profoundly changed the rules of the Brazilian social security system, when it discarded the idea of restricting coverage to those employed in the formal labour market, loosened the link between contributions and benefit eligibility, and created solidarity and redistributive mechanisms (Sposati 2009). Art. 195 of the Constitution consolidated this model, in four ways:

- End of the requirement to be employed in the formal economy and paying social insurance contributions;
- A gradual change away from restricted welfare actions towards a wider policy of inclusive social assistance;
- Establishment of an institutional framework for providing universal access to health and basic education;
- A proposal for funding from the Social Security Budget.

The loosening of the contributory requirement and the broadening of the vision of social assistance were especially clear in two decisions that were crucial for guaranteeing rights in Brazil. First, that social assistance will be provided to whoever needs it, independently of their social insurance contributions, and that social assistance programmes shall pay a monthly benefit equivalent to one minimum wage to disabled and older people, or their families, if they can prove they do not have the means to support themselves. This constitutional decision resulted in the introduction of the Continued Social Assistance Benefit (Benefício de Prestação Continuada, BPC), which provides retirement benefits to two groups of people:

- People aged 67 or over;
- Disabled people, including those with congenital disabilities.

In both cases, the per capita income of the applicant’s family must be less than one quarter of the minimum wage.

The second decision was to give rural workers the same rights as urban workers and provide a special protection regime for families in the rural economy, because the great majority of them work in the informal sector and live below the poverty line. These workers have little or no capacity for making social security contributions (Schwarzer/Querino 2002). According to the National Social Security Institute (Instituto Nacional de Seguridade Social, INSS), the amounts raised from rural areas do not cover more than ten per cent of the cost of benefits paid to persons in rural areas. This means that the funding of rural retirement payments and pensions is still today mostly non-contributory.

The gradual implementation of these decisions, with the introduction of regulations, had an impact on reducing poverty, especially in rural areas. In 2010, the social insurance system as a whole paid out around 33.4 million direct benefits, including 8.1 million to rural areas and 3.6 million to beneficiaries of the Continued Social Assistance Benefits (BPC) (Fagnani 2011). Another two of

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the Constitution's successes, which both had an impact on society, were the introduction of a unified national minimum wage and the index-linking of social insurance and assistance benefits to the minimum wage.

Non-contributory benefits are those that are paid independently of any contributions made by the recipient, and are therefore different to social insurance contributory benefits, which are only accessible to individuals who are registered with the social insurance system and pay or receive a monthly amount. In the Brazilian social security system, non-contributory benefits are the main social assistance instruments for alleviating poverty, because they provide a safety net for people whose family income is below an official minimum level defined as the poverty line.

As in most developing countries, targeted non-contributory benefits are the norm in Brazil rather than universal benefits. In general, they are paid to demonstrably poor families. In addition, payments may be conditional on the beneficiary, for example, ensuring their children attend school or keep their vaccination record up to date. The main example of this kind of policy in Brazil is the Bolsa Família Programme (BFP), which is a conditional cash transfer programme (see Chapter 3 on Bolsa Família below).

In order to provide sustainable funding for a social security system based on this new concept, observe the principle of equity, guarantee the progressive nature of the new arrangements and ensure that enough revenue could be raised to fund it, the Constitution created a social security budget composed of revenues from different sources and contributions from society as a whole. Article 195 of the Constitution states that the social security system shall be funded from the following sources:

- Budget allocations from the three levels of government: the federal government, the states and the federal district and municipalities;
- Contributions from employers and employees: Employers pay contributions based on their profits as well

as their payroll in order to ensure a fair distribution of responsibility for maintaining the system;

- Lottery income;
- Contributions levied on imports.

Although it determined the funding sources, Art. 195 did not allocate revenues to any specific aspect of social security (social insurance, health or social assistance). The funds allocated must cover the costs of the three branches of social security, in such a way as to maintain a balanced social budget.

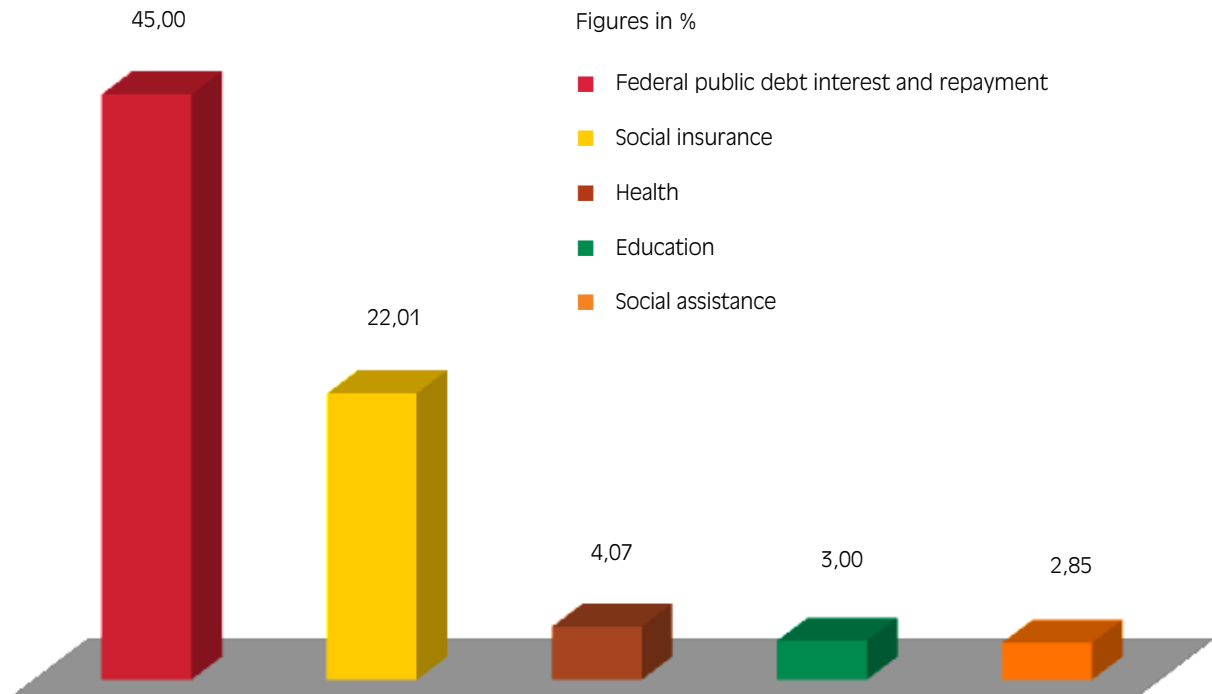
The fact that this has not happened in a satisfactory or transparent way raises many questions about whether the policy was effective, as shown by the “social insurance deficits”, proposals to abolish benefits and pressure to privatise the sector. The process took place through reforms in the tax system and changes included reducing employers' payroll contributions and partly exempting payments due on capital gains tax (DIEESE 2007, IPEA 2011).

Figure 1 compares expenditure on social insurance, social assistance, health and education with federal public debt interest and repayments.

Other essential aspects of the Constitution were the institutionalisation and expansion of political decentralisation and the increase of public participation in social policy, through the establishment of innovative management systems based on the logic of decentralised public policy systems. In the social security field, the following systems were created:

- Unified Health System (Sistema Único de Saúde, SUS);
- Unified Social Assistance System (Sistema Único de Assistência Social, SUAS);
- National Food and Nutrition Security System (Sistema Nacional de Segurança Alimentar e Nutricional, SISAN).

Figure 1: Federal budget 2012



Source: Prepared by Brait-Poplawski using data from the national budget 2012

These systems sought to connect the different levels of government (federal, states, federal district and municipalities) through three main mechanisms:

- Cooperation and formal agreements between the different administrative units;
- Automatic transfers of resources, from fund to fund, based on criteria such as per capita values or goals agreed by the different levels of government;
- Promotion of participation and social control through councils formed by representatives of civil society and government.

Such decisions provided a basis for changes in public administration compared to previous periods, which were characterised by the centralisation of power and public resources at the federal level, and which promoted political bargaining and the unequal distribution of resources (Castro et al. 2009).

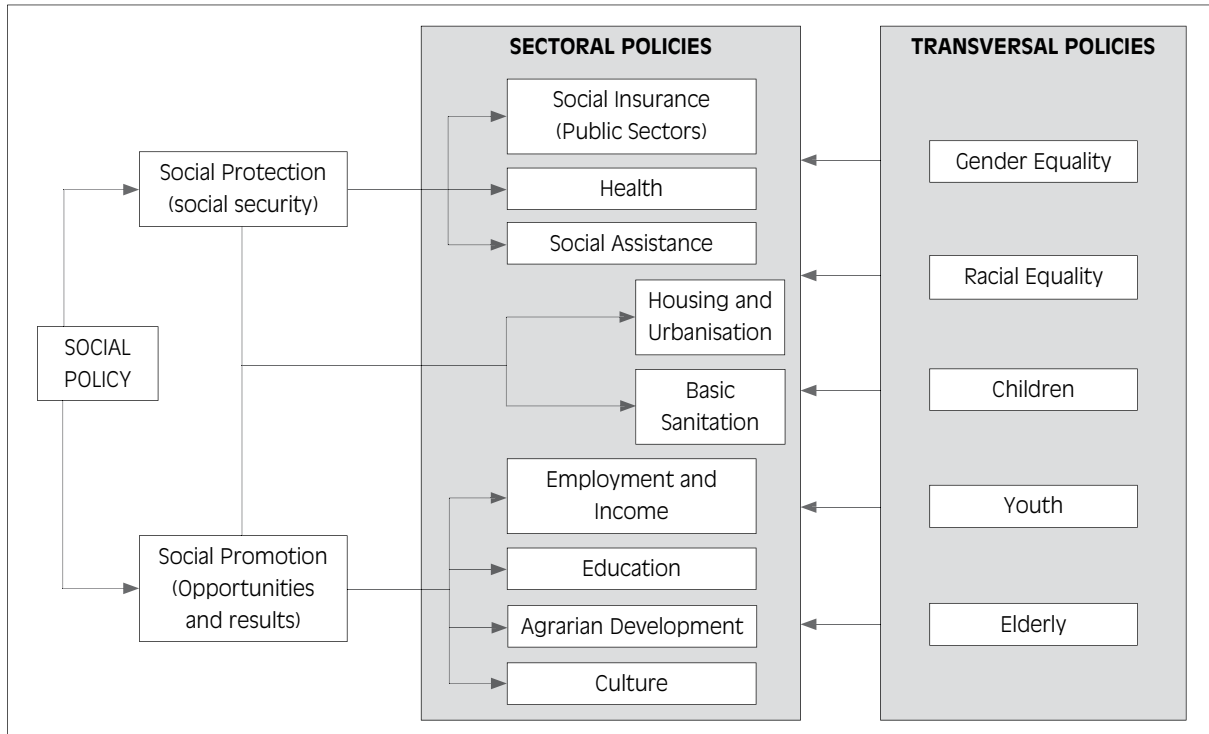
1.2 Recent developments in social policy

The political environment at the beginning of the 1990s was very different from when the Constitution was written and this had an impact on social security regulations, which, in many cases, fell far short of its original objectives. The 1990s and the beginning of the 2000s were dominated by neoliberal ideas that denounced the feasibility of wide-ranging government social protection systems. As an alternative, it was proposed to adopt targeted measures with low coverage as a way of alleviating poverty, creating space for the private sector and reducing public expenditure (IPEA 2010).

As a result, the development of social security was characterised by steps forward and steps backward. One of the steps forward was the significant increase in social expenditure and coverage against social risks and the creation of a broad group of social protection and promotion programmes.

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Figure 2: Structure of Brazil's social policy



Source: IPEA, 2011 Política Social no Brasil

In accordance with the principles of the Constitution, the Institute of Applied Economic Research (IPEA), a public body that provides technical and institutional advice to the government on the design of public policies, defined the two objectives of social policy:

- Protect citizens from risks and other factors that, independently of their wishes, might place them in a dependent or vulnerable situation;
- Promote the generation of opportunities and results, as a way of achieving justice and equity.

Figure 2 represents the national system of social policies.

The social security system includes social insurance, social assistance and health policies, while the promotion system includes instruments that provide opportunities for citizens to participate in the economy. These instruments range from education to specific initiatives

to promote access to the market, such as public policies to strengthen family agriculture and the solidarity economy.

Fome Zero, launched at the beginning of Lula's government, in 2003, and Brasil Sem Miséria, launched in 2011, were an expression of some of the policy choices made in recent years. In the process of consolidating social policies, these strategies express political priorities that aim to strengthen particular elements and goals of the government's social policy. Fome Zero and its most important programme, Bolsa Família, set the agenda for combating hunger and poverty, while the priority of Brasil Sem Miséria, which is currently being implemented, is to increase access to and improve public policies that seek to eradicate extreme poverty. It should be noted that these strategies did not intend to embrace all social policies and that the government also prioritised the consolidation of the Unified Social Assistance System, trying to coordinate this with Fome Zero and Brasil Sem Miséria.

2 Fome Zero

2.1 Introduction

The Fome Zero strategy, launched in 2003, was the result of civil society participation and mobilisation and political decision-making by President Luíz Inácio Lula da Silva's government, which, during its first days in office, made a priority of the fight against hunger. The identification of hunger as an acute expression of poverty and social and economic exclusion set in motion efforts to outline specific policies to alleviate extreme poverty using an inter-disciplinary and multi-sectoral strategy to explain and tackle the problem of hunger.

The work of Josué de Castro, who 50 years previously showed that hunger is not a natural phenomenon and later played an important role in consolidating the United Nations Food and Agriculture Organisation (FAO), bore fruit decades later when he inspired the Constituent Assembly to address the public agenda on food security³ in Brazil. Starting in 1993, a campaign called Citizen Action against Hunger, Misery and for Life, led by the sociologist Herbert de Souza, led civil society to mobilise strongly against hunger. The National Food and Nutrition Security Council (CONSEA), was created at this time to advise the President of the Republic and included representatives of civil society and government. This council worked closely with the campaign against hunger. However, its agenda was compromised by the rigidity of economic policy, which was very orthodox at that time. Its highlight was the holding of the first National Conference on Food Security in 1994, which set guidelines for food security policy. The council was closed down a little later in one of the first actions of President Fernando Henrique Cardoso's government, which took office in 1995.

Although the period that followed, between 1995 and 2002, was a step backwards in the relation between

government and civil society, it was rich in conceptual elaboration on the theme of food security and in the organisation of civil society, with the creation of the Brazilian Food and Nutrition Security Forum in 1998.

Fome Zero was launched in 2003, after the election of Luíz Inácio Lula da Silva. The public saw the programme as a government acceptance of its duty to ensure the human right to food, and this became a key idea and cornerstone of social policy in Brazil. It was the first substantial government reaction to the way that hunger was ignored and it changed the face of Brazil with regard to public policies related to poverty and food security.

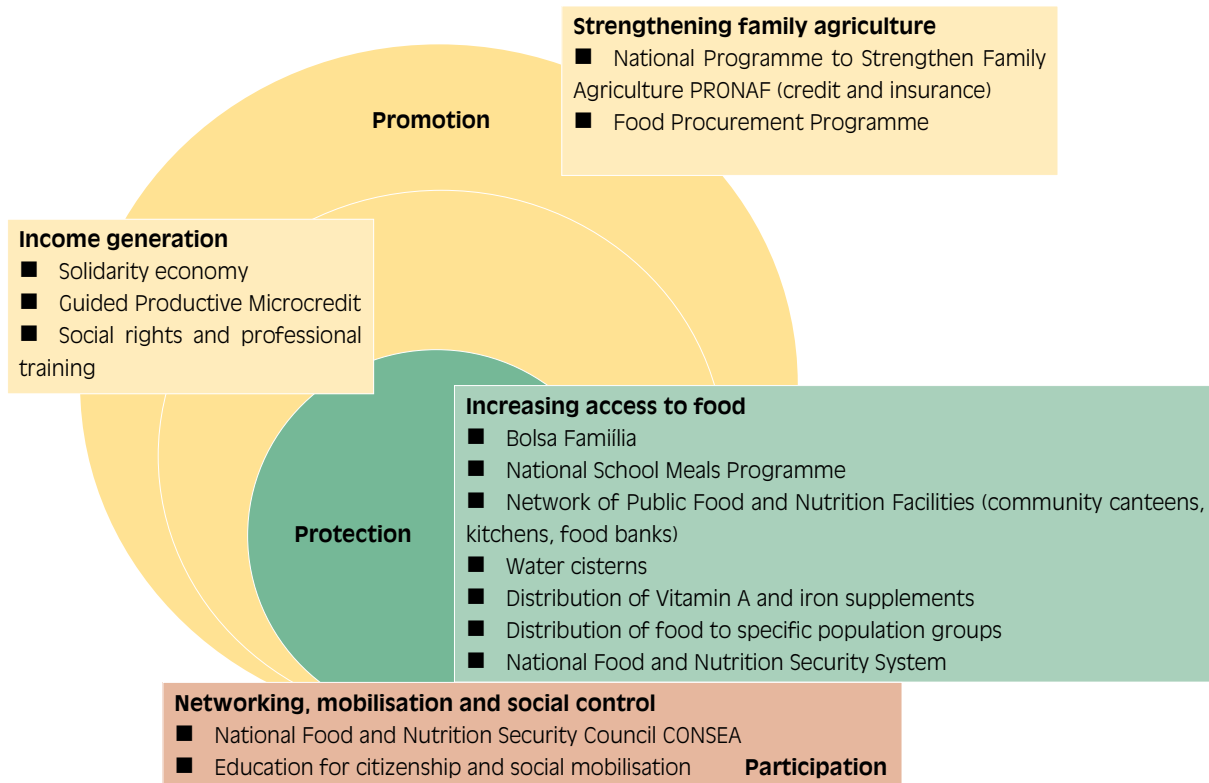
Fome Zero was accompanied by a resumption and strengthening not only of processes of collective construction and social participation, such as the conferences and creation of CONSEA itself, but also of progress at the institutional level, including:

- The creation of the Ministry of Social Development and Combat against Hunger (MDS), in 2004, as the agency responsible for five areas of social policy: Social Assistance, the conditional cash transfer programme Bolsa Família, Food Security, Productive Inclusion and the Evaluation, Monitoring and Management of Information;
- The inclusion of food as a right in the Constitution;
- Approval of the Organic Law on Food Security;
- Creation of the National Food Security System;
- Creation and implementation of programmes such as Bolsa Família and Food Procurement Programmes, and enactment of the new School Meals Law.

The institutional consolidation of the public agenda on food security, as promoted by Fome Zero, represented

³ In Brazil food security is defined by the term "food and nutrition security". This distinction was introduced by the National Food and Nutrition Security Council (CONSEA). In the following, the study only uses the term "food security".

Figure 3: Fome Zero's field of actions for social security



Source: Prepared using MDS data

the construction of an important consensus, which was also expressed through the Organic Law on Food and Nutrition Security. According to the law, food security consisted of

“the fulfilment of the right of everyone to regular and permanent access to quality food, in sufficient quantity, without compromising access to other basic needs, and based on healthy diets that respect cultural diversity and that are environmentally, culturally, economically and socially sustainable.” (Brasil 2006; own translation)

One of the main aspects of this concept was the way it linked the development of socioeconomic ideas with health and nutrition to produce a multi-sectoral approach to public policies. Subordination to the principles of the human right to adequate food and food sovereignty further strengthened this perspective, which

required coordination between the most diverse sectors of government to develop public policies.

Fome Zero experienced various changes over time until it took the form of the current National Food Security Policy. The following section highlights the aspects of the programme that proved to be more permanent and effective. The Bolsa Família programme will be described more fully in Chapter 3, given its importance for the social security system in Brazil.

2.2 Key components

Fome Zero programmes were organised with reference to four key components of social protection and promotion: increasing access to food; developing family agriculture; supporting income generation; and encouraging civil society networking, mobilisation and social control (see Figure 3).

2.2.1 Increasing access to food

The discussion on access to food, in the context of Fome Zero and the National Food Security Policy, was based on the assumption that hunger is not caused by a lack of food. Brazil produces enough to feed its entire population. However, millions of people do not have guaranteed access to food because they do not have enough money to buy the food they need or because they do not have access to the means to produce food.

The series of programmes and initiatives proposed under this heading sought to increase access to healthy and sufficient food, mainly for low income families. The programmes involved initiatives by the Ministries of Social Development, Education and Health. The initiative that had the largest impact was the creation and rapid expansion of a major conditional cash transfer programme directed to poor families, Bolsa Família.

In addition to the cash transfer programme, the government introduced or expanded initiatives to facilitate the supply of free or subsidised food to the people most vulnerable to hunger. These included one of the oldest food programmes in Brazil, the National School Meals Programme (Programa Nacional de Alimentação Escolar, PNAE), which provides meals during school hours to pupils attending public schools, to improve their biopsychosocial growth and development, learning and school performance and the development of healthy eating habits. Under Fome Zero, this programme was substantially increased and improved. It now provides meals for 45.6 million school pupils and is universally available to all pupils attending state schools for basic education.

Highlights are:

- A 130 percent increase in the per capita value;
- Expansion of the programme to include child day-care, and adult/youth education;
- Expansion of the programme to include intermediate education;

- Guarantees for family agriculture supply of at least 30 percent of the food acquired by the programme. This represented an extraordinary increase in the market for family agriculture, which includes mainly small and medium sized producers (CAISAN 2011).

The National School Meals Programme shows that national programmes providing universally available benefits contribute to achieving the Millennium Development Goals, because they encourage attendance to child day-care and schools, reduce hunger in the short term, help children to get an education and help them out of poverty (Peixinho/Abranches/Barbosa 2010).

As a way of providing free or subsidised meals, in 2003, the government established a Network of Public Food and Nutrition Facilities, including Community Canteens, and Popular Restaurants. Spread all over the country and managed in partnership with state and municipal governments, the network offers around 200,000 daily meals.

The government also created, as an emergency initiative to cater for people suffering food and nutrition insecurity and belonging to specific population groups or affected by adverse climatic conditions, the Distribution of Food to Specific Population Groups Programme. This initiative provided food to quilombolas (communities of slave descendants), families living in camps while waiting for land under the land reform programme, terreiros (Afro-Brazilian religious centres), indigenous peoples, communities who have had to leave their land as a consequence of hydroelectric projects, artisan fisher folk and communities resident in areas affected by climate disasters. In 2010, 1.9 million food baskets were provided, benefiting 446,000 families (CAISAN 2011).

Fome Zero also innovated in the field of public policies on access to water. The Cisterns Programme was initially implemented in the semi-arid region of the country, a drought-ridden region where the rainy season only lasts four months every year, and where social indicators are the lowest in the country. The programme used simple, low-cost popular technology to store rain water for human consumption, combined with training courses on

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how to survive in semi-arid areas. This government programme drew on the successful experience of a network of non-governmental organisations called Articulação no Semiárido (ASA), which was created in 1999 to develop and promote technologies, experiences and training methods to make living in the semi-arid region of Brazil feasible.

By 2011, 347,000 cisterns had been built, 256,000 of which through ASA, 73,000 by state governments and 19,000 by municipal governments. The programme took another step forward recently by creating a programme called Second Water, which aims to promote food production by building water storage equipment that will allow the cultivation of vegetable gardens and small-scale animal husbandry (CAISAN 2011). There have been cases reported by civil society where recipients had difficulties fulfilling the bureaucratic demands of the government. Civil society organisations also demand that the programme should include a training component for water management and cistern maintenance.

Initiatives in the field of health focused mainly on providing basic services and monitoring compliance with Bolsa Família conditions including the promotion of a healthy diet, food and nutrition surveillance and universal provision of iron and vitamin A supplements at health centres.

2.2.2 Strengthening family agriculture

Rural development in Brazil and associated public policies are profoundly affected by the coexistence of and dispute between production models. Until the mid-1990s, agricultural policy focused almost exclusively on large-scale agribusiness. In the mid-1990s, the government began to recognise the demands of small-scale farmer movements, culminating with the introduction of the National Programme to Strengthen Family Agriculture (PRONAF) (Peraci/Campos 2010).

According to the IBGE Agricultural Census (IBGE 2007), small-scale family farms⁴ account for 84 percent of the number of agricultural establishments, 25 percent of agricultural land and 75 percent of rural employment. Family farms are also responsible for most domestic food supply. They produce 77 percent of black beans, 87 percent of manioc and 50 percent of poultry, all products that form part of the basic national cultural diet.

With the launch of Fome Zero, family agriculture gained more recognition because of its role in supplying food to the internal market and its capacity to contribute towards ensuring food sovereignty and keeping food prices down, even at times of increases in international food commodity prices during periods of global crisis.

Policies to promote family agriculture also began to value its capacity to promote productive inclusion and generate income for rural families. There are 4.4 million rural family farms, 2.2 million of which are owned by poor families. The amount of rural credit provided by the National Programme to Strengthen Family Agriculture (PRONAF) grew significantly with the launch of Fome Zero, especially in the northern and north-eastern regions, with 1.4 million contracts in 2009.

The Food Procurement Programme (Programa de Aquisição de Alimentos/PAA) was considered to be an innovation. It links public expenditure on food with local family agricultural production so that the programmes that seek to guarantee the human right to food also provide a market for excluded farmers and generate local development. The programme buys food directly from family farms to supply the Network of Public Food and Nutrition Facilities, the state school network and the Food Basket Programme. They also supply public food stocks, a national mechanism to regulate food prices. Between 2003 and 2010, the government purchased 3.1 million tonnes of food in this way and invested Real 3.5 billion in the Food Procurement Programme (CAISAN 2011).

⁴ In Brazilian legislation (Law n°11.326/2006), two of the variables that determine the classification of farmers are size of establishment (up to four fiscal modules) and the predominance of the family in the establishment's economic activities.

With a similar strategy, the National School Meals Programme introduced the requirement that at least 30 percent of federal government funds provided to state and municipal governments for school meals should be used to buy food directly from small-scale farms, which represented a new market of at least Real 900 million per year (CAISAN 2011).

The use of public procurement to back up public policies on food and nutrition sovereignty and security was possibly one of the biggest lessons learned in recent years in this field. This has even been recognised internationally. The Food Procurement Programme and the National School Meals Programme created management mechanisms and made legal precedents that authorised direct purchases from registered family farms without any need to invite bids. This democratised and decentralised public food procurement and created a market for small-scale farmers.

By linking small-scale farmers with local consumers, these programmes also had an impact on the food production system by encouraging the development of local production, supply and consumption networks that ensured not only the productive inclusion of small-scale farmers but also healthier food on the tables of those families most vulnerable to hunger.

The Food Procurement Programme is administered nationally by a Management Committee formed by five ministries and the National Supply Company (CONAB). The programme is implemented directly by municipal and state governments and through the decentralised structures of CONAB, which manages agricultural policies and ensures food supplies.

To access the programme, family farmers, land reform settlers, indigenous peoples and other traditional peoples must be registered with the National Programme to Strengthen Family Agriculture (PRONAF) and have a Declaration of Suitability (DAP), issued by the Ministry of Agrarian Development. The registration entitles farmers to access all programmes. Farmers can sell goods worth up to a maximum of Real 8,000 per year to the Food Procurement Programme.

2.2.3 Income generation

The original concept of Fome Zero included a series of initiatives that were classified as “emergency” actions, a second group focusing more directly on creating the conditions to improve access to food and a third group of “structural” initiatives to deal with the structural causes of food insecurity. This third category included income generation initiatives. In response to the social movements’ wishes for a fair and sustainable economy, in 2003 the federal government created the National Solidarity Economy Secretariat in the Ministry of Labour and Employment and the National Solidarity Economy Council. The council has an advisory and propositional role and is composed of representatives from 56 civil society and government organisations that promote solidarity economy.

Launched in 2004, the Solidarity Economy in Development Programme promotes the strengthening and dissemination of the solidarity economy through integrated policies to promote development by generating employment, income and social inclusion. By the solidarity economy, we mean self-managed economic activities, including production, distribution, consumption, savings and credit.

As an alternative to the capitalist economy, efforts and capacities are combined and goods collectively owned in cooperatives, while produce is shared and members take responsibility on a solidarity basis.

The programme has four areas of intervention:

- Access to knowledge: training, “incubation” and technical advice;
- Organisation of production and solidarity marketing;
- Strengthening solidarity finances and access to credit;
- Institutional strengthening of the solidarity economy.

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One of the programme initiatives is the Local Brazil Project, which involves training community workers and supporting university “incubators” to provide advice and support to solidarity economy ventures in the crafts, clothing, agroecology, metalworking, collection and recycling of solid waste and other sectors. The Support for Solidarity Production Projects Programme supports organisations that operate Solidarity Rotating Funds, which fund sustainable cooperative productive initiatives, using the savings of their own members. A symbolic example of the integration between Fome Zero programmes is the use of rotating funds by the local population to build water cistern systems in semi-arid areas.

Still in the field of solidarity funding, the programme supports community banks in peri-urban communities, quilombolas and rural municipalities and supports microcredit institutions, especially solidarity credit cooperatives. Guided productive microcredit is provided to cover the financial needs of natural and legal persons undertaking small-scale productive activities, with a gross annual income of up to Real 120.000. Development banks and agencies, cooperative banks and credit cooperatives distribute these resources.

The National Solidarity Economy Secretariat mapped the solidarity economy in 2007 and identified 21,859 enterprises involving 1.7 million people throughout Brazil. The mapping exercise showed that the great majority of enterprises were informal and had no access to technical assistance. These enterprises together generated about Real 8 billion in 2007 and therefore represented an important form of social and productive inclusion (Singer/Marinho 2010).

2.2.4 Networking, Mobilisation and Social Control

One of the first measures taken after the launch of Fome Zero was the revival of the National Food and Nutrition Security Council. It has 59 members, including 19 ministers of state and 38 civil society representatives. The council is consultative and advisory in nature and also encourages public participation. The council has used

these powers to transform Fome Zero, which was originally the political strategy of a particular government, into state policy, mainly through the promulgation of the Organic Law on Food and Nutrition Security in 2006 and the creation of the National Food and Nutrition Security Policy by decree n° 7.272, of 25 August 2010.

In order to encourage civil society mobilisation and participation, the government initially created a Social Mobilisation Sector as part of Fome Zero. The sector’s role was to involve as many people and institutions as possible in the grand task of eradicating hunger from Brazil. The sector took action on two main fields of action. The first sought to encourage social responsibility, corporate contributions and donations. The second sought to mobilise civil society through popular education. Over the years, only the second field of action has been consolidated, mainly through the Citizen Education Network, although many companies continue to independently organise socially responsible activities and promote active citizenship.

Over the years, the Citizen Education Network focused on training and networking popular educators in order to organise and strengthen the struggles of the social and popular movements themselves, with the focus on the fight against hunger and poverty and achieving the human right to food. In 2007, it set one of its priorities as the training and strengthening of state and municipal food and nutrition security councils, in order to promote social participation in these forums. Between 2003 and 2010, it involved around 300,000 people in training and capacity building for social rights, especially the human right to adequate food (CAISAN, 2011).

3 The creation of Bolsa Família and its institutional modernisation

3.1 Introduction

At the end of 2003, the federal government created Bolsa Família, a conditional cash transfer programme with two main objectives: to combat hunger, poverty and social exclusion and promote social inclusion in order to emancipate poor and extremely poor families.

The programme was the result of a political decision and pressure from social movements and it aimed to unify and integrate existing small scale cash transfer measures and actions. These initiatives were dispersed across various government departments and the three levels of government (federal, state and municipal) and there was no coordination between them. Among these programmes were the Ministry of Education's School Grant, the Ministry of Health's Food Grant, the Ministry of Social Development's Programme to Eradicate Child Labour and the Ministry of Mines and Energy's Cooking Gas Voucher. When Lula took office, his government also created the Food Card (a special credit card), administered by the Extraordinary Ministry for Food Security, which initially coordinated Fome Zero. The programme was officially created by Law 10.836 of 9 January 2004 and later regulated by a series of non-statutory decrees and instruments. On the administrative front, highlights were the consolidation of the Unified Register (Cadastro Único) and the decentralised and shared programme management strategy that involved the federal government, the 26 states, the federal district and the municipalities.

In order to unify social assistance and Fome Zero initiatives, it was necessary to reorganise and modernise government institutions so that the programmes could be implemented and administered in an integrated and decentralised way, in line with the Brazilian federal

system. Among these reforms were the creation of the Ministry of Social Development and Combat against Hunger (MDS) in 2004, followed by its regulation in 2010. The ministry now has four departments:

- the National Social Assistance Department,
- the National Citizen's Income Department,
- the National Food and Nutrition Security Department,
- the Extraordinary Department to Overcome Extreme Poverty. This department is responsible for coordinating the Brazil Sem Miséria initiatives. It coordinates and mobilises the efforts of federal, state and municipal governments to tackle extreme poverty.

The National Citizen's Income Department administers Bolsa Família. It is responsible for the inter-ministerial and inter-sectoral coordination and administration of the programme. Its activities include the award and payment of benefits, management of the federal government's Unified Register, supervision of compliance with the conditions and provision of complementary programmes, in cooperation with other ministries and federal bodies, and the monitoring and inspection of implementation.

Unification of the four existing cash transfer programmes⁵ and the transfer of beneficiaries onto a Unified Register led to the creation of Bolsa Família in October 2003. Decentralisation of the programme required cooperation between the three levels of government, which has been institutionalized through bilateral agreements between MDS and the 5,564 Brazilian municipalities that have joined the programme and the Unified Register of Social Programmes. The terms established the rules, criteria and procedures for the support and management of Bolsa Família and the Unified Register at the municipal level.

⁵ School Grant (Education), Food Grant (Health), Eradication of Child Labour (Social Development) and Cooking Gas Voucher (Mines and Energy).

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The programme established an initial target of 11 million families to be programme beneficiaries. This target was defined on the basis of the number of families whose per capita household income was below the poverty line established by the programme (Real 100 in 2003), in accordance with the National Household Survey (2001/2002). After estimates of the extent of poverty were made, the programme set targets for each municipality, which were responsible for registering new families.

The programme has undergone significant expansion and a series of improvements have been made with regard to its scope, institutionalisation and management. In August 2011, programme beneficiaries numbered 13.2 million families, corresponding to approximately 52 million people, which is 28 percent of the Brazilian population, and the programme had an annual budget of Real 14.7 billion.

3.2 Operation of the programme

3.2.1 Eligibility and benefits

Bolsa Família is targeted towards poor and extremely poor families. The definition of family adopted by the programme is the family unit, which was later expanded to include other individuals who are either related by blood or have an affinity with the family, and who form a domestic household, living under the same roof and maintained by the contributions of its members (Law 10.836).

The eligibility criteria are defined according to two poverty lines based on per capita family income. Extremely poor families are considered to be families living below the extreme poverty line and who therefore have a per capita monthly family income lower than Real 70. Poor families are considered to be those between the two lines, that is, those that have a monthly per capita family income between Real 70 and Real 140. The extreme poverty line was set at one quarter of a minimum wage and the poverty line at half the minimum wage.

Table 1 shows the changes in the poverty lines adopted by the programme.

Table 1: Bolsa Família's poverty lines

Eligibility	January 2004	January 2012
Extreme poverty line	Real 50	Real 70
Poverty line	Real 100	Real 140

Extremely poor families have the right to a basic benefit payment, independently of the number of people in the family. Other payments, of variable amounts, depend on the number of pregnant and nursing women, children under the age of 16 (maximum of 5 children) and young people who are either 16 or 17 years old (maximum of 2).

Families living between the two poverty lines only have the right to variable benefits. Families living below the extreme poverty line receive between Real 70 and 306, while families living between the poverty lines receive between Real 32 and 236. Table 2 shows the composition of benefits and the change over the years.

Benefits are preferentially paid to the mother of the family or, in her absence, to the father. A study conducted by the Brazilian Institute for Social and Economic Analysis (IBASE) in 2008 showed that beneficiaries agreed with this arrangement, which has been adopted since the start of the programme. The reasons given for this

Table 2: Bolsa Família's benefits

Benefits	January 2004	October 2011
Basic benefit	Real 50	Real 70
Variable benefit	Real 15 (maximum 3 children)	Real 32 (maximum 5, including children, pregnant and nursing women)
Variable benefit (youth)	–	Real 38 (maximum 2 children)
Minimum amount paid	Real 15	Real 32
Maximum amount paid	Real 95	Real 306

Table 3: Conditionalties of Bolsa Família

Bolsa Família Programme Conditions
Health
<p>Pregnant women and nursing mothers must:</p> <ul style="list-style-type: none"> ■ Register with pre-natal services and attend appointments at the health centre with their maternity card, in accordance with the minimum calendar of the Ministry of Health; ■ Attend educational activities provided by health teams about breast feeding and a healthy diet. <p>Mothers with children under the age of seven must:</p> <ul style="list-style-type: none"> ■ Accompany the children to health and vaccination centres and keep vaccinations up-to-date, in accordance with the Ministry of Health guidelines; ■ Accompany the children to health centres, presenting the child's health card, for consultations on child nutrition and development and other matters, in accordance with the minimum calendar of the Ministry of Health.
Education
<ul style="list-style-type: none"> ■ Enrol children between the ages of 6 and 15 at school; ■ Ensure the child attends a minimum of 85 percent of monthly classes during the school year; always inform the school if it proves impossible for the child to attend, and provide a justification for any absence; ■ Immediately inform the municipal department responsible for Bolsa Família whenever children between the ages of 6 and 15 change schools or go up a year, to ensure that the authority can monitor school attendance.

Source: Own compilation based on MDS

were that women are more aware of the family's needs and tend to spend the grant on food and other expenditure to meet their children's needs and domestic tasks that are generally undertaken by women.

Apart from the limitations of the method used to identify poverty, the programme does not have formal indexation rules for benefits, weaknesses that we discuss below. However, since 2004, the benefit has been adjusted three times, when the amounts were corrected in line with the National Consumer Price Index, which measures inflation in the cost of a basket of goods typically bought by families whose income is between one and eight minimum wages.

In addition to these adjustments, variable benefits were increased, for example, the programme added a youth benefit and increased the number of children for whom a claim can be made (see Table 2). These changes in the criteria for calculating the benefit led to a significant increase in payments, mainly to the more numerous families, which are often also the most vulnerable.

3.2.2 Conditions

In return for the benefit, families must comply with a series of conditions. They must make certain commitments in the areas of education and health, as shown in Table 3. According to Cotta and Pavia (2010), the conditions are

“a prompting system that tries to influence the behaviour of adult members of vulnerable families, by making cash transfers conditional on taking what are considered to be socially positive decisions, such as investing in the health and education of the next generations.”

Brazilian society has different views about these conditions. The MDS believes that they promote access to health and education services and help to eradicate poverty, thanks to an inter-sectoral network constructed with this objective. The results of an evaluation of Bolsa Família's impact in 2009 showed that the proportion of child beneficiaries who continue to attend school at the

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age of 14 is greater than the proportion of non-beneficiaries. The same is true for the rates of progress made at school.

The federal government believes that the construction of a system to monitor compliance with the programme's conditions is a responsibility shared between the families, who should seek to exercise their rights as citizens, and the government, which should provide services of an adequate quantity and quality to meet the needs of the population. In this sense, monitoring compliance is an effective instrument to monitor families' access to social assistance, education and health services.

Government monitoring of compliance depends on an inter-sectoral monitoring network that includes the health, education and social assistance services and the three levels of government, often institutionally organised in the form of inter-sectoral Bolsa Família management committees and the Integrated Conditions Management System, constituted by information systems that collect and analyse data. In 2009, compliance was monitored for 14.3 million children (education) and 6.8 million families and 3.9 million children (health).

Families receive a written warning on the first failure to comply with the conditions and are reminded of their commitments and of the need to comply with the conditions in order to receive the benefit. A second and further failure to comply with the conditions results in the gradual imposition of sanctions on the family, beginning with withdrawal of benefit for 30 days and culminating in definitive withdrawal of the benefit. Despite these conditions, only 4.5 percent of families that had not complied with the conditions had their benefit withdrawn by the end of 2009.

3.2.3 Unified Register

It was through the Unified Register (Cadastro Único) and more specifically through efforts to consolidate Bolsa Família that, for the first time, it proved possible to collect a consistent and regularly updated set of data about poor families, with the objective of developing a comprehensive social policy.

The Unified Register for Social Programmes (Cadastro Único) was created in 2001 and has been gradually improved since then. It is the main national government instrument for registering and updating information on families with a per capita income below Real 120. The register, which is used by all three levels of government, identifies potential beneficiaries of social programmes, improves targeting and avoids overlapping. The municipal authorities are responsible for registering families, which occurs mainly through the school system, the Social Assistance Reference Centres and, more recently, through "active search" strategies that target the most vulnerable sectors of the population and those most distant from the network of public services, such as indigenous and homeless people. It is also the duty of the municipal authorities, usually the Social Assistance Departments, to keep the register up-to-date and ensure the reliability of the information supplied.

The municipalities use a standard questionnaire to collect information for the register. In addition to name and address, the questionnaire collects a wide range of information on the living conditions of families. It is divided into six sections: vulnerabilities, access to information, access to work, income, child development and housing conditions. By the end of 2008, the register held information on around 16 million families, 13 million of which had a registered monthly income under Real 120. According to the MDS, the information on 80 percent of families was complete and consistent.

Although the federal government holds a wide range of information on the families, eligibility for Bolsa Família depends on the resources available to families and exclusively on the basis of the income declared by the families, which weakens the programme from the rights-perspective (see Chapter 4.4).

The register holds a lot of information and has very good coverage, but is still under-used. It could be used to build up a profile of poverty, make assessments and identify the main needs in each municipality, which would make it possible to improve allocation of public resources and increase the efficiency of social policy (Paes de Barros/Carvalho/Mendonça 2010a).

Table 4: Questionnaire of the Unified Register

Definition	
Instrument to identify and describe the socio-economic situation of poor families.	
Target population	
Families with a per capita monthly income of up to half a minimum wage or a total monthly income of up to three minimum wages. About 22 million families are currently registered.	
Objectives	
<ul style="list-style-type: none"> ■ Identify families and all family members individually, by using a Unique Social Identification Number. This ID is used by other federal government public policies. ■ Identify the attributes and characteristics of poor families. ■ Produce socioeconomic assessments of low-income families. ■ Use the data to develop public policies at all levels of government. 	
Information	
Personal data	<ul style="list-style-type: none"> ■ Full name ■ Mother's name ■ ID ■ Date of birth
	<ul style="list-style-type: none"> ■ Municipality of birth ■ Documentary evidence
Socioeconomic data	<ul style="list-style-type: none"> ■ Family members (number of members, pregnant women, retired, disabled people) ■ Description of the home (number of rooms, type of construction, availability of drinking water, sanitation and waste collection services) ■ Educational qualifications ■ Professional qualifications and employment situation ■ Family income and expenditure (rent, transport, food, etc.)
Location	<ul style="list-style-type: none"> ■ Full address: street, number, postcode

Source: Brait-Poplowski using Unified Register data

Table 4 demonstrates the information collected by the MDS questionnaire.

3.2.4 Decentralised management

Implementation and management of Bolsa Família is decentralised, with the federal, state and municipal governments and the different sectors working together accompanied by public participation and control.

The federal government, through the MDS, is responsible for programme funding, institutional design, coordination and monitoring. The ministries of health and education also participate, to the extent that they are responsible for providing services and monitoring compliance with conditions. The municipal authorities have

a crucial role. Their most important contribution is the collection of data for the Unified Register, which means that municipal officials “decide” who are the potential beneficiaries. They are also responsible for monitoring compliance with conditions and for much of the health and education services provision. State governments have a more indirect role. They are mainly responsible for providing health and education services and for coordinating and providing technical support to the municipalities.

Given the central role exercised by the municipal authorities, in 2006, the federal government began to support municipal administration financially in the form of monthly payments, calculated on the basis of the number of beneficiary families and the Decentralised Admin-

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istration Index (Índice de Gestão Descentralizada, IGD), which measures the efficiency of municipal authorities in registering families and monitoring compliance with the conditions.

The federal payments are used locally on activities related to registration, monitoring compliance and the implementation of complementary programmes initiated in response to demand from families, and the strengthening of public participation and control. The different degrees of municipal involvement require greater study and the performance of administrators needs monitoring.

Despite this decentralised management model, monthly payment of benefits is carried out directly by the federal government, through the Bolsa Família Card, issued by the Caixa Econômica Federal (CAIXA), a federal public bank with branches in most municipalities. The card allows the holder to withdraw the monthly benefit from CAIXA payment points and branches. The operational efficiency of monthly benefit payments all over the country is largely due to the extensive CAIXA network. It is also simplified by the absence of any intermediation of state and municipal authorities, which increases the programme's immunity from irregularities and misappropriation of funds.

3.2.5 Social Control

The development of social policy in Brazil, especially after the promulgation of the Constitution, was characterised by the introduction of mechanisms and forums to promote organised civil society participation in the formulation, monitoring and social control of public policies. In the case of Bolsa Família, social control is understood to be effective civil society monitoring of Bolsa Família's administration, to help improve transparency of government actions and guarantee access to the programme for the most vulnerable families.

The system is made operational by Social Control Bodies, mainly in the form of existing municipal public policy councils, such as the Municipal Councils for Social Assistance, Health, Education and Food and Nutrition Security.

The Powers of Bolsa Família's Social Control Councils can be summarized as follows:

- Monitor, evaluate and support inspection of implementation;
- Monitor and encourage the integration and provision of other social services to beneficiary families;
- Monitor local government provision of the services necessary for families to comply with benefit conditions;
- Encourage community participation in monitoring implementation.

3.2.6 Funding

Art. 195 of the Constitution provides that the social security system of health, social assistance and social insurance services should be funded from federal, state, federal district and municipal government budgets and from social contributions, in the form of payroll contributions from employers and workers, taxes on company profits, lotteries and imports.

Article 6 of Law 10.836/2004, which created Bolsa Família, states that programme expenditure shall be covered by specific allocations for federal cash transfer programmes and the Unified Register, as well as by other federal social security budget allocations for the programme. It also states that the government should reconcile the quantity of beneficiaries with existing budgetary allocations.

Most of the budget allocated to Bolsa Família is taken from the programme's own budget in the MDS. The Ministry of Health also allocates resources from the National Health Fund, which are used to cover the costs of monitoring compliance with benefit conditions.

According to the International Poverty Centre, part of the United Nations Development Programme (UNDP), in 2008, there is a growing proportion of the social security budget's resources that are allocated to funding

Bolsa Família. In 2004, Bolsa Família funds accounted for 1.3 percent of the social security budget. This percentage rose to 2.7 percent in 2007. Most social security resources are allocated to the payment of contributory benefits i.e. social insurance. The federal budget for 2011 (up to 31 December) allocated 22.01 percent to social insurance, 4.07 percent to health and 2.85 percent to social assistance. Education accounted for 3 percent, while interest and capital repayments on the federal public debt reached 45 percent of the budget, that is Real 708 billion (IPC 2008).

According to MDS data, Bolsa Família's budget significantly increased between 2003, the year of its creation, and 2011, rising from Real 3.2 billion to Real 14.7 billion. In 2010, public investment in Bolsa Família accounted for only 0.4 percent of GDP. Programme administrators believe it is an "investment in local economic activity". They also assume that society itself pays for the programme, including the sectors that directly benefit from it, given that part of government expenditure on the Bolsa Família is paid back to the government in the form of increased tax revenues obtained from the resulting stimulus to the mass market.

4 Bolsa Família's impact 2003 to 2010: preliminary conclusions

4.1 Brief profile of the beneficiaries

A survey conducted by IBASE (2008)⁶ provided a picture of programme beneficiaries and an overview on changes to their access to food, nutrition, health, education, employment and other aspects.

The study showed that most programme beneficiaries were women (94 percent), black (64 percent) and in the 15-49 age group (85 percent). New family household structures were prominent: 38 percent of households were single-parent families and 27 percent of beneficiaries were single mothers, a statistic that was even more pronounced in urban areas. Retirement pensions and Bolsa Família were often the only sources of income of these extended families.

Schooling is a problem for beneficiaries: although 81 percent were literate, only 56 percent completed the nine years of basic education. With regard to health, 39 percent of families had at least one member suffering from a chronic disease, which made them even more vulnerable.

Only half of family members older than 16 had paid work in the month before the survey and only 21 percent were registered employed in the formal sector. Women were mainly excluded from the labour market. Only 37 percent of women were working while the percentage for men was 67 percent. In the month before the survey, 46 percent of families had a total monthly income (including Bolsa Família payments) of under one minimum wage (currently Real 545). The data showed a clear correlation between income and consumption. According to the Brazilian Food Insecurity Scale (Escala Brasileira de Insegurança Alimentar, EBIA), 55 percent of families, a total of 6.1 million families, suffered from

severe or moderate food insecurity, which means that these families were either hungry or had less food than they needed in the month previous to the interview. Beneficiary families generally spent 56 percent of household income on food, families suffering severe food insecurity, up to 70 percent. The data showed that it is precisely the families most vulnerable to hunger that spend most of their domestic budget on food and that they are therefore the ones who feel most keenly the impact of crises that cause an increase in food prices.

4.2 Impact and repercussions

4.2.1 Food security

Although significant levels of food insecurity persist among Bolsa Família beneficiaries, the situation is now more stable and families have more food and a more varied diet. For many families, a guaranteed additional income provides greater security and encourages them to plan expenditure. It has also led to changes in the pattern of food consumption. For 74 percent of families, the quantity of food increased as a result of the programme, while 70 percent reported a more varied diet.

However, families prioritise foods with less nutrients and more calories, that is, foods that relieve hunger and give greater energy, such as sugars and processed products. The pattern of consumption shows that an increase in purchasing power has not been accompanied by healthier dietary choices.

4.2.2 Education and health

Quantitative and qualitative studies show that the introduction of Bolsa Família was followed by improved access to social services for poor people, especially with regard to the growth in school enrolment numbers and regularity of attendance. An MDS evaluation (MDS 2007) showed that children and adolescents in beneficiary families had an enrolment rate of 4.4 percent

⁶ The survey for the IBASE study was carried out in five regions in Brazil with a total selection group of 5,000 people, among them mainly women aged 30 to 40 (94 percent).

greater than non-beneficiaries with the same socioeconomic profile. In the northeast, the differential was even bigger – 11.7 percentage points. These results are also being evaluated empirically.

A study carried out by the Universidade Federal Fluminense (Silva/Brandão/Dalt 2008) analysed the relationship between poverty and education and the educational profile of beneficiary families in the northeast.

The study showed that 26 percent of interviewees said they had children who were not attending school before receiving Bolsa Família. Interviewees hardly mentioned difficulties in gaining access to school (3.3 percent), which confirmed the tendency towards the universalization of education provision. In order to understand the data, it should be noted that the positive impact of making Bolsa Família conditional on school enrolment and attendance has been accompanied by a major expansion in education provision during the same period, especially basic education. In the northeast region, the IBGE calculates school coverage at 97.3 percent for the 7-14 age group.

With regard to health, an MDS baseline study indicated that 15 percent more children up to the age of six months received the seven prescribed vaccinations, compared to non-beneficiaries with the same socioeconomic profile. It also showed that the programme increased the demand for health services (MDS 2007). Pregnant women beneficiaries had, on average, 1.5 more prenatal appointments than non-beneficiary pregnant women with the same socioeconomic profile. The IBASE survey indicated that 42.2 percent of women beneficiaries attended health services more regularly. On the other hand, focus groups noted the poor quality of the services and the difficulties and high costs of access, especially for rural families.

The debate about the impact of the payments of Bolsa Família on education and health conditions must recognise some aspects that limit the effect of these conditions, such as the low quality of the public education system and the need to expand and democratise public health services and improve staff skills.

4.2.3 Employment

Programme beneficiaries resent exclusion from the labour market more than any other aspect of the vulnerability associated with poverty. Contrary to what some critics of the programme believe, most beneficiaries insist they would prefer to ensure the survival of their family by their own efforts and, when asked, 99.5 percent of beneficiaries said they continued to work after being enrolled at Bolsa Família (IBASE 2008).

Although the benefit is vital for many families, the average monthly payment is not enough to provide for basic needs, forcing them to seek other ways of ensuring survival. The results of the IBASE survey showed that the problem is not that beneficiaries give up work because they are lazy, but because of the lack of jobs available to people in the most vulnerable groups. For poor women, the programme's preferential beneficiaries, the barriers to the labour market are even greater, either because of their lack of education or because they need to take care of their home, their children and older members of the family.

4.3 Impact on the reduction of poverty and inequality

IPEA studies are a good source of information on the programme's impact on the reduction of poverty and inequality. These studies use data from the IBGE's National Sample Household Survey (PNAD). According to the PNAD, the national GINI coefficient fell from 59.2 to 54.0 between 1999 and 2009. According to IPEA, the benefits from Bolsa Família accounted for approximately 16 percent of this fall, which is a significant percentage (IBGE 2004-2009).

There was also a significant reduction in the number of people living in poverty in this period. With reference to a poverty line of Real 100, the number fell from 26 percent in 1999 to 14 percent in 2009. With reference to an extreme poverty line of Real 50, the number in extreme poverty fell from 10 percent in 1999 to 5 percent in 2009, a 50 percent fall. According to the same IPEA study, Bolsa Família accounted for almost 16 percent

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of the reduction in poverty and almost one-third of the reduction in extreme poverty.

Bolsa Família seems to be approaching the limit of its capacity to contribute towards a reduction in the rates of inequality and poverty, unless there is a significant increase in the number of beneficiary families or the amount paid in benefit. However, continuity of the programme remains essential if its impact is to be maintained.

There are still few studies that examine Bolsa Família's effects on the economy, especially the way it boosts local economies. A study by Landim Junior (2009) assessed the programme's impact on the economies of 5,500 municipalities. This study showed that the programme has had a positive impact on the local economy, in the form of a real increase in per capita GDP.

A 10 percent increase in per capita Bolsa Família benefits caused an immediate 0.6 percent per capita increase in GDP in each municipality. The study also confirmed the programme's effectiveness in combating economic inequality between municipalities. Those with relatively undiversified economies and therefore with smaller GDPs and higher levels of poverty, benefitted most from Bolsa Família and therefore experienced the highest growth in their respective per capita GDP.

There were also indications that local retail trade was stimulated by an increase in consumption resulting from benefit payments, which is partly explained by the fact that many poor municipalities received more resources from Bolsa Família than from redistribution of resources through the tax system.

4.3.1 Gender aspects

As most conditional cash transfer programmes, Bolsa Família gives priority to women as beneficiaries. This choice is based on the assumption that it is generally women who act as carers and who take responsibility for the welfare of their family. The IBASE study (2008) showed that 85 percent of women programme beneficiaries were in the 15-49 age group. Most beneficiaries

were heavily overloaded with housework, which, along with other factors such as a poor education and their position as heads of household, drastically reduced their opportunities to get a job. In 2008, 41.4 percent of women beneficiaries had paid employment, while the equivalent percentage for men was 77.4 percent.

Various studies have tried to assess Bolsa Família's impact on women's status in society. Women interviewed in the course of the IBASE survey said they believed the following changes occurred: greater financial independence (49 percent); greater role in decision making about expenditure (39 percent); and more respect from partners (27.4 percent).

A qualitative study carried out by MDS in 2006, in partnership with the organisation *Ações em Gênero, Cidadania e Desenvolvimento (AGENDE)* (2006), presented similar findings. Women beneficiaries were consuming more, resulting from the greater purchasing power conferred by receipt of benefit. Women's authority in the household increased much more as a result of the greater purchasing power provided by benefit rather than a change in traditional gender relations. There was a change in how beneficiaries perceived themselves as citizens, resulting mainly from the regularisation of identity documents, necessary to make them eligible for the programme.

The guarantee of a regular income to add to their usual household budget made it possible for women to more easily fulfil the responsibilities allocated to them, such as looking after children and older members of the family and food preparation. There were also strong signals that women's purchasing power was beginning to cause changes in the family hierarchy and that payment of the benefit provoked concerns and new perceptions among women about themselves and also among men. However, it cannot be said that the programme changed traditional gender relations. The payment of benefit facilitates the reproductive process but does not reduce the amount of time that women spend doing housework. There is still a lack of health, education and social assistance policies, that could alleviate women's reproductive work.

4.4 Challenges facing the programme from a human rights-based perspective

The progress achieved by Bolsa Família and its impact on the life of poor families is indisputable. However, analysing the programme from a rights-based perspective shows it is possible to identify aspects that many authors feel weaken the programme.

4.4.1 Access and targeting

One of the programme's weaknesses is the fact that benefits are not paid unconditionally to all rights holders, given that the programme's scope is defined by reference to i) a maximum number of eligible families in each municipality, ii) estimates of poverty and iii) budgetary conditions and limits (Zimmermann 2008). From a rights-based perspective, applications from all those who meet the eligibility criteria should be accepted, and in the last resort, this should be enforced by the courts. It is not uncommon for estimates to be much less than the actual demand. This discrepancy occurs especially when mixed criteria are used to define the poverty line, for example, consumption capacity on the basis of a basket of goods or the introduction of non-economic (immaterial) indicators about the quality of life and the environment and the degree of human development.

The fundamental question for targeted benefit payment programmes is to what extent they are reaching the people for whom they are intended (Lavinás/Cobo 2009). In the case of Brazil, a major limitation is the establishment of municipal quotas for the selection of beneficiaries based on estimates that a priori exclude a large proportion of the target population. Bolsa Família beneficiary families can themselves see that this is the case. A total of 60 percent of beneficiaries interviewed during the IBASE survey (2008) said they knew people who were registered and who needed the Bolsa Família but had never received it. Although this statistic represents a subjective perception of poverty, it reflects an institutional inability to meet the needs of all families. This strengthens the perception that some people have more rights than others and that the programme is unfair.

In 2004, Bolsa Família's budget corresponded to 64 percent of the sum necessary to reach the entire target population. In that year, programme coverage was 42 percent and a little more than half of beneficiary households (53 percent) belonged to the target population (IPEA 2010). Compared to international experience, Bolsa Família was reasonably successful in reaching its target population, similar, for example, to programmes in Chile and Mexico. However, a problem in Brazil was the difficulty encountered in including the extremely poor, a problem that was dealt with more incisively in 2011 with the launch of Brasil Sem Miséria, the Brazil Without Misery Plan.

Effective targeting largely depends on the availability of the government funding that would be needed to reach the target population, but also on the effectiveness and quality of registration. Successful targeting will finally be achieved when:

- The families on the register are the poorest;
- The data collected is high quality;
- The methodology for selecting beneficiaries is the most appropriate;
- Municipal quotas are closer to the real number of poor people in the municipality (Paes de Barros/Carvalho/Mendonça 2010b).

4.4.2 Selection criteria

Another aspect that has raised doubts is the adoption of a poverty identification and measuring method that uses absolute criteria to define the poverty line. Critics of this method say there are two components of deprivation: form and dimension. In its form, deprivation can be identified by economic indicators, such as consumption and/or remuneration or by non-economic and immaterial indicators, such as education, health, quality-of-life and rights. With regard to dimension, deprivation is identified with reference to two factors: basic needs and the average level of well-being in a society (Brait-Poplowski 2009).

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Some authors believe that selection criteria based strictly on income reflect only one dimension of poverty and that this represents the supremacy of economic considerations when dealing with this phenomenon. The most restrictive aspect of this method concerns the absence of any real link between the amount provided in benefit and the cost of basic needs, such as food, clothing, medicines, school materials and transport. Therefore, the limitations of the method based on economic criteria not only apply to the monetary factor used for identification but also to the absence of a link between per capita income and consumption capacity.

As a consequence, the poverty line in developing countries is calculated on the basis of what is necessary for the maintenance of physical existence. At the end of the 1970s, a group of United Nations organisations developed the "basket of goods" method to calculate the poverty line in accordance with the concept of basic needs.⁷ This method was replaced by the direct and absolute methods adopted by multilateral organisations such as the World Bank, which use physical existence criteria to calculate the extreme poverty line. However, the method used to determine the poverty line remains a political decision that seeks to contain budgetary expenditure.⁸

In this context, observers question the adoption of the absolute poverty line as a method for measuring poverty. Some authors believe that selection criteria based strictly on income only reflect one dimension of poverty and therefore the predominance of economic criteria when dealing with this phenomena (Sen 1999). One alternative would be to adopt criteria capable of taking into account the multi-dimensional nature of poverty, using non-financial (immaterial or synthetic) indicators, which could be identified from data available on the Unified Register, such as the Family Development Index, which is being used by Bolsa Família administrators, mainly for assessing the situation in municipalities.

There is also a group of social actors who are in favour of adopting a poverty line calculated on the basis of a fraction of average national income. For example, a poverty line could be set at between 30 percent and 50 percent of the average national income. Such a proposal is based on the concept of relative poverty, that is when

"poverty has to be 'situated' through time, in relation to social and institutional structure and not simply denoted by relatively low disposable income" (Townsend 1993).

This broadens the concept of basic needs, which is then determined by the degree of economic and social development of the country as a whole and is consequently a relative measure. On the other hand, it constantly identifies part of society that has below average income as poor.

Combining the methods makes it possible to evaluate the different degrees of satisfaction of material and non-material needs in a society. Figure 4 shows the main components of the methods mentioned here.

The ideas on poverty expressed by Bolsa Família beneficiaries at the focus groups realized during IBASE survey falls within the concept of relative poverty. It is characterised by a broad series of unprovided needs, including goods and services, and by a relative sense of this condition, formed on the basis of comparison with other sectors of the same society.

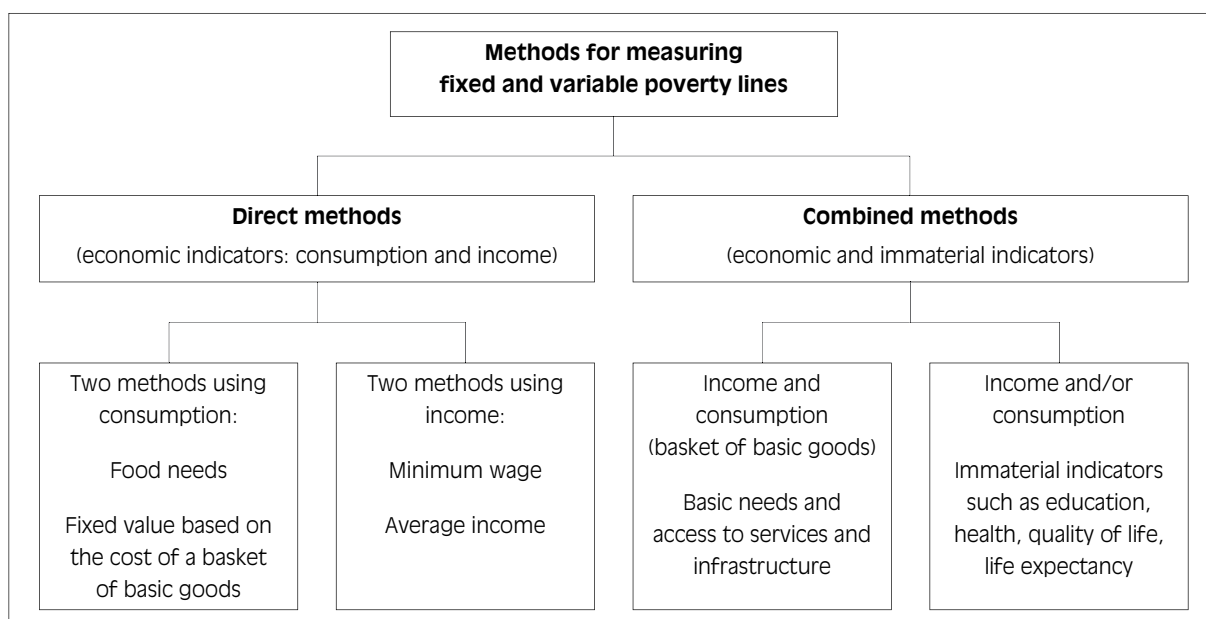
4.4.3 Increases in benefit

Lavinás (2009) thinks it indispensable to adopt rules for regular increases in Bolsa Família benefits, in the same way that other social assistance benefits are automatically adjusted with every increase in the minimum wage, to which it is indexed. Since its creation, Bolsa

⁷ See also Proyecto Interinstitucional de Pobreza Crítica conducted by UNICEF, ILPES, CELADE, PREALC, FAO and CEPAL. See Informe Final del Proyecto Interinstitucional de Pobreza Crítica para América Latina (E/CEPAL/G.1308, 9 May 1984) and CEPAL 1984.

⁸ See the reconstruction of the theories of poverty in the economic and social development sciences in BRAIT-POPLAWSKI 2009, p. 11-70.

Figure 4: Methods for defining poverty lines



Source: Brait-Poplowski 2009, p. 50

Família has been increased three times, but there are no rules about increases or formal indexation. This is a weakness when seen from the perspective of the need to guarantee rights, given that the adjustment of benefit levels is at the government's discretion.

4.4.4 Conditions

From a human rights perspective, no requirements or conditions should be placed on the enjoyment of a right. For public administrators, conditions are

“a prompting system that tries to influence the behaviour of adult members of vulnerable families, by making cash transfers conditional on taking what are considered to be socially positive decisions, such as investing in the health and education of the next generations” (Cotta/Paiva 2010).

From this viewpoint, conditions also aim to encourage demand for social services, increase access to services and encourage the government to expand and improve service provision. Advocates of a human rights approach

say it is understandable why poor families may not access public health and education services when the latter are of such poor quality in some regions. They say that beneficiaries should not be punished for not complying with benefit conditions and that government agencies should be punished instead for not complying with their obligations to guarantee satisfactory access to rights and to the goods and services necessary for compliance with the obligations imposed by benefit conditions. In fact, the focus groups reported a series of difficulties associated with compliance, especially problems with transport (distance and cost), particularly in rural municipalities, and the poor quality of health services. It should be remembered that women are responsible for ensuring compliance with benefit conditions, making their working day even more difficult.

In order to understand the relevance and the political sense of the conditions that beneficiaries are required to fulfil, it should be noted that immediately after its launch, Bolsa Família programme encountered a lot of resistance from Brazilian society and the mass media. The programme suffered a serious crisis after its introduction due to a series of denunciations and press

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reports about benefit being paid to people who were not eligible. Later, reports about the absence of controls over compliance with benefit conditions led to a stream of criticism, especially by those who questioned the appropriateness of any type of state benefit being given to the poor without the poor having to do anything in return. In this sense, the requirement for benefit conditions

“is not ruled necessarily and exclusively by an objective cost-benefit analysis, but is related to the political ideas that permeate the very design of Bolsa Família programme, (...) and that require sweat from work as a necessary symbol to guarantee support for the programme” (Brito/Soares 2010).

4.4.5 Basic Citizen’s Income

Consideration of the principle of universality, leads us to reflect about the possible transformation of Bolsa Família into a universal programme, under the logic of Basic Citizen’s Income (Zimmermann 2008).

Some authors (Vanderborght/van Parijs 2006) see the Basic Citizen’s Income as a universal cash transfer that does not require any proof of family income and is paid to the poor, as well as to the rich, as a strategy to increase the gross income of every individual or family and to stop, in advance, chances of them becoming poor. In its original conception, the Basic Citizen’s Income did not have any conditions attached to it and neither was it time-limited. Lena Lavinas described it as “preventive treatment” against poverty that acts by providing equal opportunities for all members of society.

From this perspective, Bolsa Família should be seen as the first step in the implementation of a Basic Citizen’s Income, with the starting point being the payment of a cash benefit to the poorest sector of the population (Soares et al. 2006). However, despite the significant expansion of the target population in recent years, the introduction of a universal and unconditional benefit to replace the current targeted benefit does not seem to be on the agenda (Tavares et al. 2008).

5 The implications of social and food security policy for indigenous peoples and other traditional communities

The 1988 Federal Constitution recognised, for the first time, the territorial and cultural rights of indigenous peoples and traditional communities that should be respected by the Brazilian government. This step was based on the premise that the exercise of rights in a state that declares itself to be pluri-ethnic, requires not only constitutional backing, as provided for in article 231, but also recognition of the social and economic inequalities to which its people are subjected.

“Indians shall have their social organization, customs, languages, creeds and traditions recognized, as well as their original rights to the lands they traditionally occupy, it being incumbent upon the Union to demarcate them, protect and ensure respect for all of their property”.
(Art. 231, Federal Constitution)

The National Indian Foundation (FUNAI) says that there are around 460,000 indigenous people living in villages and 190,000 in other areas of Brazil, according to the criterion of self-definition. There are also other traditional peoples and communities, for example, quilombola and extractivist communities, which have historically been excluded from the process of social and economic development.

Important steps towards recognition of the rights of these populations included ratification of International Labour Organisation (ILO) Convention 169/2004 on Indigenous and Tribal Peoples in Independent Countries and Decree 6.040/2007, which created the National Policy for the Sustainable Development of Traditional Peoples and Communities. This decree focused federal government action on meeting the socio-environmental needs of these populations, setting challenges such as the regularisation of land rights, the construction of infrastructure, social inclusion and sustainable production.

The decree states that traditional communities are:

“culturally differentiated groups that recognise themselves as such. They have their own forms of social organisation, occupy and use territories and natural resources for their cultural, social, religious, ancestral and economic reproduction, and use knowledge, innovations and practices generated and transmitted by tradition”.
(Decree 6.040/2004)

In recent years, indigenous peoples and traditional communities have made much progress in the field of social policy, especially since 2003. They have begun to access some public services and participate in forums for debate and political negotiations. However, there is still a long way to go before the historic debts owed by the Brazilian state are paid in full.

One of the problems regarding access to social policies is that universal programmes and those that focus on the fight against hunger and poverty are based on general principles and concepts that do not consider the specific characteristics of indigenous peoples and traditional communities or that make them difficult to access or even inappropriate. Some authors believe that the Brazilian state has developed a certain uniformity of action, which gives it the capacity to extend public policies of a universal nature even to indigenous peoples and traditional communities in any region of the country using decentralisation strategies, as long as they can adapt to the rules of these universal programmes. To access them, it is necessary to be able to adjust to their rules, without expecting consideration of the differences between groups. This logic operates as though guarantees for citizens' rights are conditional on people having the capacity to demonstrate they are equal to other citizens. Another limitation is that public officials do not have the training to deal with these differences.

The government has taken some initiatives to overcome this problem. The Ministry of Social Development has made an effort to coordinate with municipal administrations to expand its programmes. Technical staff at the National Health Foundation have helped to conduct an

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"active search" in order to include indigenous peoples and traditional communities on the Unified Register used for social policy programmes. Such initiatives are funded by the federal government through the Decentralised Management Index (IGD) (Brazil 2009). This initiative resulted in the inclusion of 20,000 new families in 2010, leading to Bolsa Família being extended to a total of 84,797 people in January 2011.

According to the I National Inquiry into the Health and Nutrition of Indigenous Peoples, 63.9 percent of indigenous households receive social benefits and only 19.7 percent receive rural pensions. The National School Meals Programme provides a different level of service for schools in indigenous areas and quilombola communities. In 2010, the programme provided meals for 226,000 pupils in quilombola communities and 196,000 pupils in indigenous communities.

As part of the strategy to reduce malnutrition in quilombola and indigenous communities, the amount paid per pupil from these communities is double the amount paid for others. The policies designed to strengthen family agriculture have also provided a specific programme of technical assistance to rural indigenous and quilombola communities. The programme aims to provide services to 150,000 indigenous families and 20,000 quilombola families over the next four years.

In addition to universal policies, the government has taken a series of specific initiatives, for example:

- **Indigenous Portfolio:** created in 2003, as part of Fome Zero, it funds projects for subsistence food production, such as community vegetable gardens, animal husbandry, agroforestry and access to water. By 2010, it had funded 247 projects, reaching 16,800 families. It is still only a small programme, but very much welcomed by indigenous representatives, mainly because it is managed directly by their associations.

- **Food baskets:** also created as part of Fome Zero, it distributes food to specific population groups, such as indigenous peoples and quilombolas. Approximately two million baskets are distributed every year.

- **National Policy for the Environmental Management of Indigenous Lands:** created in 2009, this involves integrated action by the Ministries of the Environment and Justice, with support from FUNAI. It includes strategies to guarantee protection and support for sustainable development for indigenous peoples in their territories.

The debate about whether social policy is appropriate or not and its repercussions on indigenous peoples and traditional communities is very complex and we will certainly not be able to explore it sufficiently in this chapter. However, it is important to consider that the social demands made by indigenous peoples and traditional communities have increasingly incorporated the concept of ethno-development. The basic elements of this concept stress the need to preserve agrobiodiversity, the right to use natural resources and the value of traditional knowledge. The basic principles are autonomy, self-determination and participation by indigenous peoples and traditional communities in the design and implementation of public policies created on their behalf.

Although it is recognised that there have been advances in social policy, the structural problem of access to land remains. Civil society representatives have criticised what they see as a contradiction in government policy, that is, the fact that government policies provide fiscal incentives to promote agribusiness that tend to occupy indigenous and traditional land while trying to contain hunger of these people by distributing baskets of food. Recognition of territorial rights and the consequent regularisation of land rights are the basis for the social, cultural and economic reproduction of indigenous peoples and traditional communities. For these populations, full citizenship involves exercising their autonomy to decide how best to live a dignified life, under equal conditions with the other groups that comprise Brazilian society, and while maintaining their diversity, livelihoods and individual characteristics.

6 Brasil Sem Miséria

6.1 Background

Brazil achieved good results in the last decade, especially in terms of reducing poverty and promoting social mobility. Based on research by the Fundação Getúlio Vargas and IPEA, the federal government estimates that 28 million Brazilians were lifted above the poverty line between 2003 and 2010.

The success shown by these results was due to a series of factors, including the recovery in the value of the minimum wage, the generation of employment and expansion of the formal labour market and the consolidation of social security policy, as described above. Six of the eight percent increase in income of the country's 20 percent poorest people in this period (2003-2009) came from employment, which shows the importance of this factor in the results achieved. So we can conclude that, in addition to the contribution made by the "social assistance network", the process of inclusion in the productive economy at a time of economic growth was decisive for the social inclusion of these millions of Brazilians (Castro et al. 2009).

Even so, a significant number of people remained under the extreme poverty line, which suggests that public policies were inadequate and difficult to access by the poorest sectors of the population. In 2010, during the election campaign and the accompanying development of proposals and programmes, the government's candidate for president, Dilma Rousseff, recognised the limitations of current policy, which was proving incapable of alleviating the extreme poverty of many Brazilians. In her first speech, the new president said that the government would prioritise eradicating extreme poverty of those who had not been reached by previous policies.

It is in this context that the new government presented Brazil Sem Miséria in March 2011. Final touches are still being applied to many of the initiatives described here and implementation of some of them is only just beginning. Although much of the plan focuses on im-

proving, expanding and adapting existing programmes in order to meet the specific needs of people living below the extreme poverty line, it is therefore much too early to evaluate the plan's achievements.

6.2 Extreme poverty in Brazil

Even if we use only the preliminary results of the Demographic Census 2010, it is already possible to describe in greater detail the characteristics of extreme poverty in Brazil, because of the diversity of situations in which this sector of the population finds itself. According to IBGE, in the month when the interviews were carried out for the census, 6.8 million people were living in households with no income. Of these, 4.8 million were identified as living in extreme poverty.

In addition to the criterion of income, the census used non-economic indicators to determine the profile of extreme poverty, including infrastructure, access to basic public services, the degree of human development and the life stage of the people concerned. Households with the following profile were classified as living in extreme poverty.

- No exclusive access to a bathroom, no connection to the general waste or rainwater drainage system and no septic tank;
- Living in an urban area with no connection to the water distribution network;
- Living in a rural area with no connection to the general water distribution network and no well or spring on the property;
- No electricity;
- At least one illiterate resident aged 15 or over; or at least three illiterate residents aged 14 or under;
- At least one illiterate resident aged 65 or over.

If we add the 11.4 million people with an average per capita income between Real 1 and Real 70, who also fit

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the profile of extreme poverty, we have an estimated total of 16.2 million people living in extreme poverty.

Also, according to IBGE data, it is estimated that 8.5 percent of households are living in extreme poverty. Most of these people live in urban areas (53 percent). However, the 47 percent that live in rural areas represent a quarter of the rural population, a significantly higher proportion than the 5 percent of the urban population living in extreme poverty. There are more women in this situation in urban areas and more men in rural areas. With regard to schooling, 26 percent of people in extreme poverty are illiterate, while 71 percent of the extreme poverty population is black.

Extreme poverty is concentrated in certain regions. Of the total, 59 percent (9.6 million) of those in this sector live in the northeast. With regard to the age profile, 51 percent are 19 or under and 40 percent 14 or under. With regard to sanitation, 53 percent of households were neither connected to the general waste and rainwater drainage system nor had a septic tank and 48 percent of rural households were not connected to the water distribution system and did not have access to a well or spring on their property.

6.3 Inter-sectoral management arrangements

Extreme poverty is multidimensional in nature and the fight against extreme poverty requires not only the inclusion of new indicators, but also inter-sectoral coordination of political actions and a guaranteed programme budget. Although the MDS plays the main role in attempts to achieve this objective, it can only be achieved by the integrated action of government ministries, departments and agencies.

This understanding of the causes of poverty led to an innovation in the institutional format used to put inter-sectoral management into practice.

Decree 7.492/2011, which introduced Brasil Sem Miséria, established the following bodies for its management (see Figure 5):

- The National Management Committee is a decision-making body and has powers to set goals and guide the formulation, implementation, monitoring and evaluation of the plan. It is composed of the Ministers of Social Development (MDS), which acts as coordinator, the Ministries of Finance, Planning, Budget and Administration, and the President's Office. The position of Executive-Secretary of the committee is held by the MDS's Extraordinary Secretary for Overcoming Extreme Poverty.

- The Executive Group ensures the implementation of the plan's policies, programmes and actions and is composed of the Executive-Secretaries of the agencies that form part of the National Management Committee.

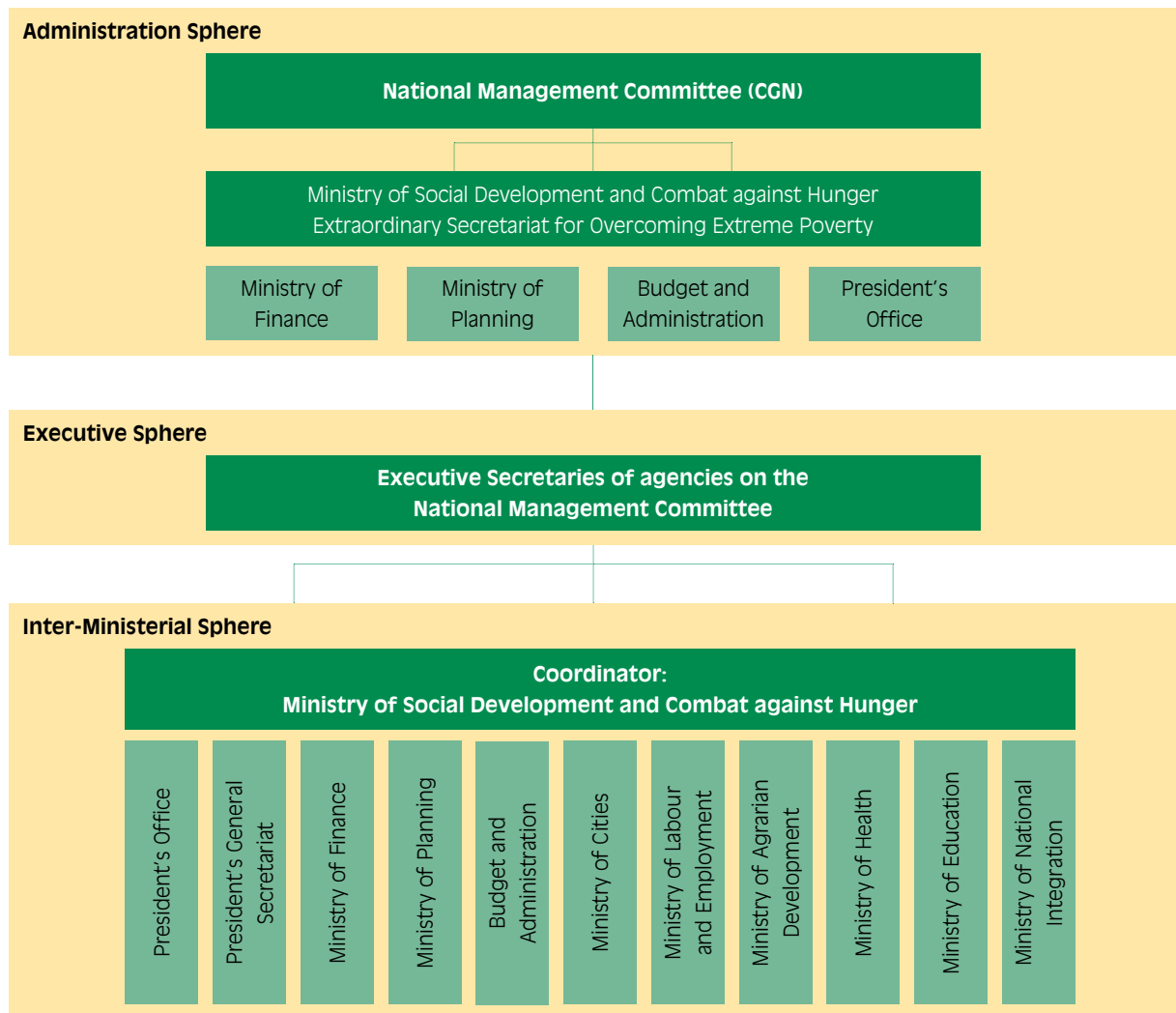
- The Inter-Ministerial Group for Brasil Sem Miséria monitors and evaluates the plan's policies, programmes and actions. It is composed of representatives of the MDS, which acts as coordinator, the President's Office, the President's Secretariat and the Ministries of the Finance, Planning, Budget and Administration; Cities; Labour and Employment; Agrarian Development; Health; Education and National Integration.

The main limiting factor noted about this new inter-sectoral management model is ministry representatives' failure to recognise the MDS's coordinating role in government policy and specifically Brasil Sem Miséria.

This is due to a historical sectoral approach to coordination and policy management, based on partial visions of social and economic development, as well as a reaction to their loss of autonomy associated with MDS's involvement in the administration of sectors, such as health, education and social security.

The success of the institutional reorganisation requires not only a consensus but also strong decision making and conscientious coordination of priorities, starting at the highest level of the federal government. Initial signs are that the delegation of decisions endangers the sustainability of this promising and innovative model.

Figure 5: Brasil Sem Miséria's administrative structures



6.4 Funding

The decree introducing the plan established the following sources of funding:

- Annual federal budget allocations to the agencies and other bodies involved in the plan;
- Allocations from agencies participating in the plan, separate from the fiscal and social security budgets;
- Other resources allocated to states, the federal district and municipalities, as well as other public and private bodies.

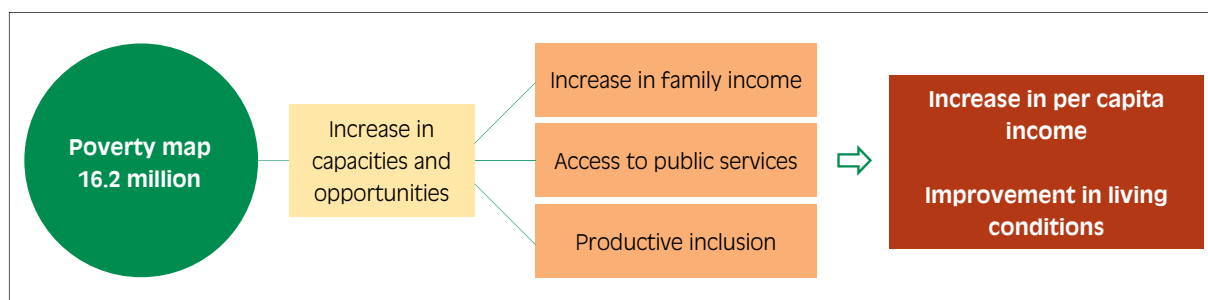
It is estimated that the plan will cost Real 80 billion up to 2014.

6.5 Target population and fields of action

In addition to these premises, which define how the plan is to operate, the plan envisages three fields of action that must be implemented in an integrated way (see Figure 6). The first of these intend to increase the per capita family income of those living in extreme poverty. The second will strive to increase access of the poorest people to public services and other social welfare initiatives. The third will implement measures

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Figure 6: Brasil Sem Miséria's fields of action



Source: MDS, booklet, Brasil sem Miséria

to increase access to employment and income earning opportunities through initiatives to promote inclusion into productive activities in both urban and rural areas. Below we describe the instruments initially adopted to put into practice each of these fields of action.

6.5.1 Increase in family income

“Active Search” to increase the number of families on the Unified Register for Social Policies (Cadastro Único)

This involves proactive efforts to register families who are outside the social protection and promotion network. Concerted efforts to identify such families will involve cross-checking existing records and offering incentives to promote the involvement and training of public administration managers in providing services for the extremely poor. At the municipal level, which currently has low coverage for Bolsa Família, there will be an additional effort to register specific sectors of the population through the Social Assistance Reference Centres, which are present in 4,720 municipalities.

Bolsa Família

The plan aims to include 800,000 new extremely poor families in Bolsa Família. Another strategy is to increase the limits on eligibility from three children to five, which significantly increases the total amount paid out to families and includes a further 1.3 million children aged 15 or under. These children will still be required

to comply with certain conditions, including school attendance and uptake of health services.

The plan also aims to encourage state and municipal governments to complement the federal government's benefit payments. Some states and municipalities have already taken up this proposal and allocated their own budgets for this purpose.

Another new strategy adopted is the use of Bolsa Família Cash Card to pay benefits related to new programmes, such as the payment of Rural Development and Green Grant programme will be payed.

6.5.2 Access to public services

In this field of action, the aim is to increase public service provision, so that people living in areas where poverty is concentrated can access the programmes listed in Table 5.

The premise on which Brasil Sem Miséria is based is the recognition that extremely poor people have the most difficulty in accessing public goods and services, which is paradoxical given that it is precisely this sector of the population that is the priority for public action. The plan intends to adopt new approaches to improve service provision for extremely poor people, including paying special attention to mobilising and qualifying government employees at all three levels of government, so that they can work efficiently and effectively to provide services to this priority sector of the population.

Table 5: Public Programmes

Programme	Description
Family Health (Saúde da Família) Ministry of Health	Priorities are integrated and regular prevention, promotion and recovery actions. The service is provided at basic health centres or in the home, by professionals (doctors, nurses, assistant nurses and community health workers) who form part of the Family Health teams.
Smile Brazil (Brasil Sorridente) Ministry of Health	A series of oral health initiatives for citizens of all ages.
See Brazil (Olhar Brasil) Ministry of Health	Identifies vision problems of pupils (6-15) attending state schools, as part of the Ministry of Education's Literate Brazil programme, and the over 60 age group.
Literate Brazil (Brasil Alfabetizado) Ministry of Education	Operates nationally and promotes literacy among youth, adults and the elderly.
More Education (Mais Educação) Ministry of Education	Increases educational provision in state schools through optional activities grouped in broad subject areas such as pedagogic advice and support, the environment, sport and leisure, culture and the arts, computer literacy, primary health care, communication, science and economics.
Stork Network (Programa Cegonha) Ministry of Health	Implements a network of services to ensure that women have access to family planning and personal pre- and post-natal care and also to ensure that children have the right to a safe birth, growth and healthy development.

Source: Table prepared by using MDS data.

The Social Assistance Reference Centres, which are present in most municipalities, will be used as a service provision point for Brasil Sem Miséria programmes. It is planned to create new Reference Centres in order to increase service coverage in all areas where poverty is concentrated.

6.5.3 Productive inclusion

Actions to promote the inclusion of the extremely poor in the productive economy were designed specifically for rural and urban conditions. They aim to expand and adapt existing policies by:

- Strengthening the mechanisms that have proved successful;
- Reformulating those that have not proved to be very effective;
- Introducing new innovative programmes and actions, particularly in such strategic areas as professional training and the provision of personal technical assis-

tance to small-scale farmers (Paes de Barros/Mendonça/Tsukada 2011).

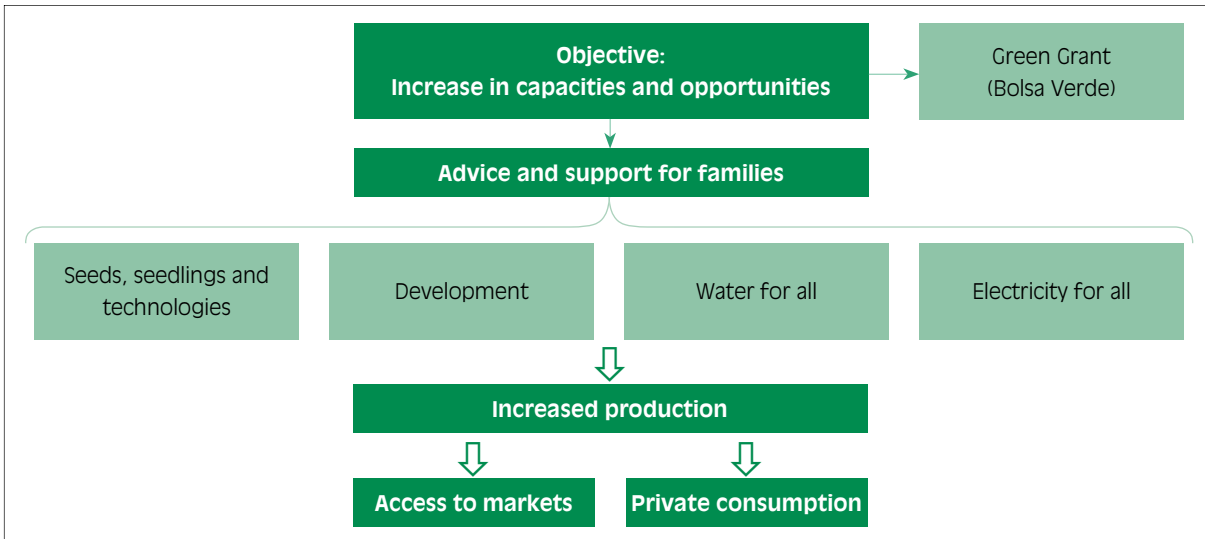
In rural areas, where 47 percent of the plan's target population lives, the priority is to increase agricultural production by providing technical guidance and assistance and increasing the availability of credit, seeds and water (see Figure 7).

The following programmes and initiatives aim to promote inclusion in the productive economy.

Brasil Sem Miséria Innovations: transforming production while enhancing environmental sustainability

- Provision of grants to 250,000 extremely poor family farmers up to a value of Real 2,400 in instalments over two years. Grants will be paid out through the Bolsa Família Cash Card for the acquisition of inputs and equipment;
- Free distribution of seeds and seedlings to 253,000 extremely poor family farmers;

Figure 7: Strategies for rural productive inclusion



Source: MDS 2011, Brasil sem Miséria

■ Introduction of the Green Grant programme, which will provide a quarterly grant of Real 300 through Bolsa Família Cash Card, to extremely poor families for the conservation of environmental assets. Extremely poor families living or working in national forests, federal extractive and sustainable development reserves or environmentally differentiated settlement projects will be eligible.

Expanding and adapting existing initiatives

■ Provision of Rural Technical Assistance combined with the strategies described above, working directly with families, with regular personal provision of advice and support by professional teams recruited by the federal government as far as possible in the regions where they are going to work. Groups of one thousand families will have assistance from a senior technician and ten intermediate technicians. The plan aims to ensure the use of appropriate technologies by each family in partnership with the universities and the government’s Agricultural Research Agency (EMBRAPA). Production for private consumption will be encouraged at the same time.

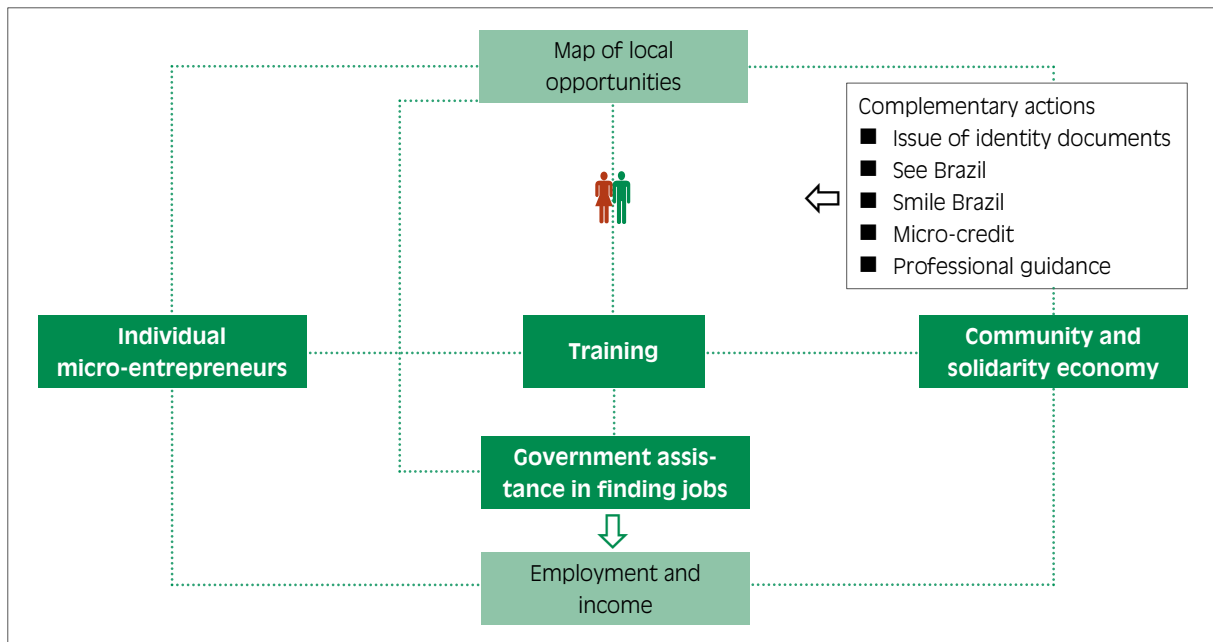
■ Increase coverage of the Water for All programme (Água para Todos), which seeks to guarantee access to

water for all extremely poor people in rural areas. It gives continuity to the successful One Million Cisterns programme in the semi-arid northeast, which aims to reach 750,000 rural families, by building cisterns and simple systems to provide collective access to drinking water, and also to provide 600,000 rural families with water for use in productive activities. In addition, the programme will organise irrigation initiatives for small farms.

■ Expand Food Procurement Programme (Programa de Aquisição de Alimentos, PAA), from 156,000 to 445,000 family farmers during the next four years, of which 255,000 families should be extremely poor (there are currently 66,000 families in this group who have access to the programme). In order to make feasible the strategy of providing access for the poorest family farmers to the institutional and public food markets, it is intended to increase purchases by government agencies and philanthropic institutions, including federal hospitals, universities, prisons and child day-care. In the private sector, negotiations are under way with supermarkets, companies and restaurants to encourage them to purchase produce from extremely poor family farmers.

■ Increased coverage of the Electricity for All Programme (Luz para Todos), which was very successful

Figure 8: Brasil Sem Miséria for the urban population



Source: MDS 2011, Brasil sem Miséria

under the Lula government and which aims to reach 257,000 extremely poor families in rural areas during the next four years.

- Actions on behalf of rural waged workers, who are among the socially most disadvantaged people. The programme aims to encourage tripartite agreements (government, rural workers and employers) in sectors that employ the most labour in rural areas, in order to improve working conditions, expand the formal sector of the economy, increase the level of professional qualifications and schooling and upgrade inspection of working conditions.

- Support the formation and spread of solidarity economy networks, collectively undertaken activities, micro and small companies and the creation of incubators for generating employment and income. This initiative applies to both urban and rural areas.

In the cities, Brasil Sem Miséria aims to generate employment and income for the poorest, between the ages of 18 and 65, by providing courses that lead

to professional qualifications, helping the poor find a job, increasing the availability of microcredit and encouraging the popular and solidarity economy (see Figure 8).

Among the programmes and initiatives that aim to promote productive inclusion in urban areas, the following aim to adapt or expand coverage of existing actions:

- Generation of employment and income for the poorest, between the ages of 18 and 65, by providing courses leading to a professional qualification and helping people find a job. The plan is to provide more than 200 different courses at public and private technical schools. The courses will be certified and free and students will be provided with training materials, snacks and transport. The courses must be appropriate for the economy of each region.

- Employment of workers in jobs identified by the government and arranged with employers. Help with finding a job will use the Opportunities Map maintained by each municipality.

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- Expanded microcredit policy, through the National Guided Productive Microcredit Programme (Programa Crescer), which aims to facilitate access to guided credit. The aim is to support small businesses, with incentives to include people in the formal economy and generate employment and income. The maximum value of loans is Real 15,000, and they must be used for productive activities. The annual interest rate on the loans has been reduced from 60 percent to eight percent. The Credit Opening Rate on loans was reduced from three percent to one percent. In principle, state banks will be responsible for implementing the programme.
- Programme to strengthen individual micro-entrepreneurs, working together with the taxation and social insurance authorities to continue the effort to promote the formalisation of small businesses run by self-employed workers.
- Employment of extremely poor workers on major infrastructure projects that form part of the National Accelerated Growth Plan (Programa de Aceleração do Crescimento, PAC) and those associated with the 2014 World Cup and 2016 Olympics, providing them with professional training courses (an estimated 1.7 million people)

7 Conclusions

The 1988 Federal Constitution took the Brazilian people to a new level of citizenship. By introducing the concept of social security, it provided a framework within which to reconfigure the national system of social policies along the lines of a model that aims to redistribute wealth and be universal in nature. There is still a long way to go but it has to be recognised that a lot of progress has been made. This is reflected by the existence of a wide range of social protection and promotion goods and services, which, even though they suffer from many weaknesses, reach the most vulnerable sectors of the population, through decentralised public policies characterised by well-developed and consolidated institutions (in terms of their legal framework and management structure). A significant improvement in social indicators, even though this is not completely due to social policies, shows that Brazil is on the path to enhancing rights and citizenship.

Some of the main themes that permeate social policy as a whole and that have ensured greater sustainability of the policies implemented are:

- Social mobilisation and participation in the development of public agendas and the development of social control of public policies, as ways of demarcating the scope of rights and ensuring the regular progress and sustainability of social policies;
- The institutionalisation and regulation of social policy frameworks, through the Constitution, laws and non-statutory instruments;
- The adoption of Public Policies Systems as a coordinated strategy for decentralising social policies;
- Increased government funding for social policies, to allow programmes to be massive enough to deal with the number of poor people concerned;
- Intensification of inter-sectoral practices, with continuing efforts to achieve greater integration of programmes and actions;

- The systematic conduct of national research for use in producing assessments, monitoring change and helping to formulate the results of social policy;

- An improvement in communication with society as a whole and with the target population, so as to publicise the initiatives taken to deal with social problems and generate expectations about the goals that the government is trying to achieve.

It is possible to identify important legacies left by Fome Zero, but it is still too early to evaluate Brasil Sem Miséria. Consideration of the work carried out by Fome Zero shows that the strategies adopted to increase access to food and strengthen family agriculture were correct. One of the main lessons learned by Fome Zero that has made its mark on the foundations of current social policies is the value given to family agriculture and increased investment in this sector as a strategy to ensure food supplies to the domestic market, promote food sovereignty and security. It also encouraged more sustainable employment and income generation strategies for poor rural families, especially the Food Procurement Programme (PAA) and the National School Meals Programme (PNAE) with its innovative emphasis on changing the pattern of government food purchasing to include family farmers as suppliers. Equally important were the consolidation of Bolsa Família as a strategic cash transfer programme targeted at all poor families, and the consequent creation of the Unified Register to avoid duplication and integrate social policies.

However, little progress has been made on generating income, and this remains one of the main challenges facing Brasil Sem Miséria, which aims to generate opportunities for families to escape from extreme poverty. Various civil society voices emphasise the importance of promoting poor people's access to the labour market as the priority objective. As the IBASE research showed (2008), Bolsa Família beneficiaries themselves say their top priority is employment in the formal sector.

These efforts to integrate extremely poor people into the labour market have so far yielded little result. The attempt to provide adults and families receiving Bolsa

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Família with professional qualifications to help them get jobs in the formal labour market registered only modest results for the poorest people in recent years.

This raises a series of questions about how to achieve this objective. The first of them is whether the labour market, in the way it operates today, has room for poor people who do not have the minimum required capacities. The second follows on from the first and is about the effectiveness of the training provided for these people. A third is whether benefits, added to any income that extremely poor adults might earn from employment, would be sufficient to compensate for the efforts they would need to make and for the expenditure that they would need to undertake for such activities.

The fourth is whether the incentives offered to promote entrepreneurship are adequate. One promising aspect is the increased capacity to organise production and marketing through cooperative structures to supply the local market.⁹ Yet it is questionable whether the credit mechanisms created fit the profile of the extreme poor. In addition, the incentives for a solidarity economy have not yet realised their full potential for organising a just and sustainable economy.

Another massive challenge facing efforts to eradicate extreme poverty is the major barrier that extremely poor people of productive age have to overcome if they are to regularly exercise professional activities, due to their difficulties accessing essential public services such as health, social assistance and food security. It is assumed that access to these services is decisive in allowing heads of family and particularly mothers to enter and stay in the labour market or undertake productive initiatives. Therefore, implementation of the Brasil Sem Miséria third field of action, that is inclusion in the productive economy, depends on the effectiveness of policies associated with the plan's second field of action,

which is about access to essential services for extremely poor people.

Another issue to be debated in the current context is the polarisation between universal and targeted approaches in public social security policies. The 1988 Constitution adopted universal coverage and provision as one of the principles of social security, contrary to the neoliberal agenda of the 1980s, 1990s and a good part of the 2000s, which proposed the adoption of targeted measures with limited coverage to alleviate poverty. This is why for many years tension ran through the Brazilian model because of the dispute between those who argued for targeting and those who argued for universal benefits. The risk was the substitution of universal benefit provision with target policies. However, in recent years, targeted and universal actions have begun to be seen as complementary.

Some authors think that this clash cooled definitively during the Lula government's second term in office, with the consolidation of Bolsa Família as the main targeted strategy to fight poverty, complementary to other universal systems, such as those for education, health and social assistance. From this perspective, targeted policies formed a strategy to reduce inequality and universalise rights, with the focus on the most vulnerable, while not threatening to replace universal policies.

The challenge facing the country today is to develop universal and targeted policies that provide enough quality goods and services to meet real demand and thereby guarantee access by the target population. Other authors call for a move from Bolsa Família to a Basic Citizen's Income in accordance with a vision more aligned to a universal rights perspective.

The political choices set out in the federal government's main social agendas in recent years – Fome Zero and

⁹ In addition to the lack of assets or access to public services, one of the problems identified as decisive for poverty, as a result of social and economic exclusion, was poor people's weak capacity to organise production for the market, caused by a lack of knowledge in all spheres of human development. Cooperative forms of production and work can offer sustainable solutions to these causes of poverty. For an analysis of the decisive factors, see Brait-Poplowski, 2009.

Table 6: Government expenditure on social security in Brazil (2000-2008)

Govt expenditure for selected areas		Index 100 (Base Year: 2000)							
FUNCTION	2000	2001	2002	2003	2004	2005	2006	2007	2008
Social Protection	7.206.939.470	115	134	159	244	261	339	377	421
Social Insurance	151.563.121.653	111	121	131	138	148	159	170	180
Health	32.890.298.433	112	115	112	127	132	137	132	140
Labour	10.135.399.413	115	124	127	134	150	184	211	228
Education	17.226.112.490	106	114	112	107	112	114	121	135
Housing and Urbanisation	2.916.323.905	45	31	22	73	110	128	32	45
Sanitation	261.381.094	140	55	31	37	40	24	17	194
Environment	1.848.121.104	161	102	70	82	128	92	76	79
Science and Technology	2.019.907.679	123	111	134	164	193	208	175	207
TOTAL	226.067.605.241	111	119	125	136	146	159	166	178

Constant currency in Real of December 2008. Adjusted in line with the Consumer Price Index (IPCA).

Sources: SIAFI - STN/CCONT/GEINC and IPEA

Brasil Sem Miséria – expressed its priority for overcoming poverty and extreme poverty, which required a concentrated effort on targeted cash transfer policies, especially the consolidation of Bolsa Família and the expansion and improvement of the Continued Social Assistance Benefit (BPC). As a result of the concentrated effort that has been made during the last nine years, we can say that Brazil now has an important system for guaranteeing income and that this has had a significant impact on social assistance policy.

This fact becomes clearer on examination of the pattern of social expenditure since the new Constitution came into force. In 2008, social expenditure was approximately equivalent to 23 percent of GDP, while in 1985, the corresponding figure was 13 percent. Brazil occupies second position in Latin America in this respect, second only to Cuba with 28 percent. The benefits paid by social insurance and social assistance programmes account for an increasing proportion of family income. In 2008, the 10 percent poorest received 25 percent of their income in the form of cash benefits. 58 percent of these poorest families were programme beneficiaries (Pochmann 2010). IPEA estimates that without the payments (social insurance and social assistance), Brazil would have had a total of 40.5 million people with an income less than one quarter of the minimum wage in

2008. The impact of these benefit payments was particularly important in north-eastern states. However, families in the federation's richest states (São Paulo, Rio de Janeiro and Minas Gerais) received most of the public funds expended in the form of benefits.

Expenditure on cash transfers rose significantly in recent years, helping the most vulnerable sector of the population, but other components of the social security system did not have the desired budgetary growth, for example, housing with the deficit calculated by IBGE at 7.8 million homes (Lavinias/Cobo 2012). In fact, there is a long way to go on the road to demercantilising basic universal goods and services in order to guarantee rights, such as education, health and housing and there is an imbalance in the composition of social expenditure (see Table 6).

Many critics of the current model of social promotion and protection think that the government prioritised the provision of a guaranteed income to the most vulnerable and did not give the same level of priority to universal policies. Esping-Andersen says that

“demercantilisation occurs when a service is provided as of right and people can live without depending on the market” (Esping-Andersen 1990).

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The social protection network in the fields of education and health goods and services is made up of universal public systems that should provide such services for free. We should recognise the importance of the choice made by the Constituent Assembly in this respect and defend it against the frequent attacks it suffers from exponents of the neoliberal agenda. Large sectors of the population would not be able to access such services through the market if they were in the private sector.

A second recent development, which is emphasised by the government, is the positive coordination between economic and social policies, which appears to point towards a new paradigm for social policy's role in Brazilian society. Social policies and associated public expenditure, combined with an increase in the minimum wage, over and above their objective of providing social assistance, are also considered to be tools of economic policy, as they promote the incorporation of enormous sectors of the population that have traditionally been excluded from the market and mainly boost the internal market.

There is no doubt that the economic growth registered in the last ten years, associated with a policy of income redistribution, contributed towards the progress documented here. However, with regard to the extreme poor, labour opportunities opened up by this growth have had very limited success in promoting social inclusion. The effects generated by growth itself also need to be examined as they often create new and stronger mechanisms of exclusion. For example, major projects, such as the construction of hydroelectric plants, have an impact on traditional populations who live in the vicinity. Economic growth, in the form of these projects, is continuously creating new situations that intensify the impoverishment of communities.

The 1988 Constituent Assembly chose a rights-based social policy system, affirmed the need for universal coverage and asserted the responsibility of the state and the need for public participation to supervise the system. The social security proposal that prevailed comprised three systems: health, social insurance and social assistance. It determined that the administration

of these systems should be decentralised but integrated under strong centralised leadership and that they should be funded by all three levels of government (federal, state and municipalities). In addition society as a whole should have an equal representation through the organised civil society which has not happened to date.

Through a mechanism that disconnects revenues from social security policies, adopted continuously since 1994, called *Desvinculação das Receitas da União* (DRU), resources have been withdrawn from social security and reallocated elsewhere on the grounds that it is necessary to preserve economic stability. In this way, revenue from the social security system is often redirected not only towards fiscal expenditure but also used to eliminate deficits in the public accounts and strengthen the primary surplus.

When assessing the progress made on social policy in recent years, we have to recognise that little progress has been made in integrating its three main components, that is health, social insurance and social assistance (Fleury 2004). Despite the priority given to social policy in the recent period, questions such as funding and universalization are constantly the subject of budgetary and ideological disputes. This requires civil society to mobilise on a permanent basis to defend economic, social and cultural human rights, to ensure that these conquests are retained and to continue to press for social welfare improvements in a context of environmental sustainability and inter-generational commitment.

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