

## Targeting Within Universalism? The *Bolsa Família* Program and the Social Assistance Field in Brazil

By *Diogo R. Coutinho\**

**Abstract:** *Since the 1930s Brazil has been slowly building its welfare state. In the wake of struggles and political clashes to ensure rights and revive democracy, the Constitution of 1988 brought about an important shift, as it established economic and social rights and outlined a new legal and institutional framework for social policies. Among other provisions, the new constitution also established specific guidelines for the social assistance field (i.e., a non-contributory universal policy intended to meet basic needs through offering of public services and payment of income). Early in the 2000s, concurrently with the creation of the new social assistance system, the **Bolsa Família** Program (BFP), a conditioned cash transfer program, was created and launched. Compared to the track record of Brazilian social policies, the BFP adopted new management tools, instruments and methods and has accounted for a portion of the ‘equity gains’ Brazil has experienced since 2001. This paper analyzes the BFP from the point of view of its political and institutional arrangement – that is, the set of rules, organizations and processes that define the way stakeholders and interests are coordinated in the implementation of a specific public policy. In particular, it considers the program from the perspective of its dynamic relationship with the social assistance field, discussing the connection between the political and institutional arrangements of these two policies “at the bottom” (i.e., at a local level) and on the “top” (i.e., at a federal level). To do that, it draws on the categories of administrative capabilities (associated with the measure of effectiveness) and political capabilities (associated with the measure of legitimacy). The assumption is that the BFP has an ambivalent relationship with the social assistance policy – although it has an autonomous institutional arrangement, the BFP assumes a hybrid nature at the local level with social assistance, especially in small and underprivileged towns. In other words, the BFP largely depends on the social assistance framework to be institutionalized in most Brazilian cities, although it is quite insulated from the social assistance framework at the federal level of management (the “top”). In view of that, the author argues that stronger coordination and synergy between the BFP and the field of social*

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*assistance — the idea of targeting within universalism — demands further attention and orchestration in Brazil.*

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## A. Introduction

Historically speaking, social assistance and welfare programs in Brazil were limited and specific, based on the transfer of federal funds to purchase food staples or to provide other forms of assistance to persons in situations of extreme vulnerability. Social protection for vulnerable groups of informal workers was driven by a sort of philanthropic management of poverty, predominantly done by private institutions that had the support of public funding. These policies were often confused with charity and because of that, social assistance was primarily considered an incidental and secondary social policy of the Brazilian government and in many governments it was managed by agencies chaired by first ladies — wives of presidents, governors and mayors<sup>1</sup>.

Nonetheless, in a slow process marked by authoritarian moments, regressive effects and bureaucratic insulation, as well as institutional arrangements of a centralizing nature and clientelism, Brazil has been building its welfare state since the 1930 s. In the wake of struggles and political clashes to ensure rights and revive democracy after a military dictatorship, the Constitution of 1988 brought about an important shift, as it established economic and social rights and generally outlined a new legal and institutional framework for social policies. The new constitution created and defined, *inter alia*, the building blocks of the new social assistance – hitherto not fully institutionalized – in Brazil.

In the 1990 s, the policies set out in the constitution began to take shape in various fields, which enabled certain social and economic rights to gradually acquire a greater degree of effectiveness as a result of implementation measures. New institutions, entities and agencies of social policy began to coexist with former political organizations, rules and habits and, parallel to the construction of a framework of social assistance, in 2003, the *Bolsa Família* Program (BFP) was structured and consolidated.

- 1 See *José Celso Cardoso Júnior and Luciana Jaccoud*, Políticas sociais no Brasil: organização, abrangência e tensões da ação estatal, in: Luciana Jaccoud (Org.). *Questão social e políticas sociais no Brasil contemporâneo*, Brasília 2005. On the advances in the social assistance agenda, see *Luciana Jaccoud, Patrícia Hadjab and Juliana R. Chaibub*, Assistência social e segurança alimentar: entre novas trajetórias, velhas agendas e recentes desafios (1988-2008). Políticas sociais: acompanhamento e análise. Vinte anos da Constituição Federal, v. 1 n. 17 (2009). On the history of social policy in Brazil, see *Sonia Miriam Draibe*, Uma nova institucionalidade das políticas públicas? reflexões a propósito da experiência latino-americana recente de reformas dos programas sociais, São Paulo em perspectiva, v. 11 n. 4 out./dez. (1997); *Sonia Miriam Draibe*, Brasil: Bolsa Escola y Bolsa Família, in: E. Cohen / R. Franco (Coord.). *Tranferencias con corresponsabilidad. Una mirada latino-americana*. México 2006; and *Eduardo Fagnani*, Política social no governo Lula (2003-2010): perspectiva histórica. Texto para Discussão – UNICAMP, n. 192 (2011).

The objectives of the BFP are to fight hunger and encourage food and nutritional safety, promote the access of poor families to public services (particularly health care, education and social assistance), support the development of those families living in poverty and extreme poverty, combat poverty and inequality and encourage the governments to develop social policies to help families overcome poverty. Concretely speaking, the BFP consists of a conditional cash transfer policy for poor families with monthly per capita income ranging from around US\$ 35 to US\$ 70. To receive these cash transfers, the beneficiaries must meet some conditionalities. In less than ten years, the BFP has become the largest program of its kind, with 45 million beneficiaries (more than 15 million families – about one in four Brazilian families)<sup>2</sup>.

Along with actual increases in the minimum wage, rural pensions, monetary stability and the BPC, the BFP has been considered one of the catalysts of the reduced income inequality experienced by Brazil since the early 2000 s. Other factors associated with this decline in inequality include increased spending on education, investments in qualification for labor activities, microcredit programs, changes in social security mechanisms and the possibility of expanding the domestic market.<sup>3</sup>

In fact, since 2001, both poverty and income inequality, measured by the Gini coefficient, have been decreasing at an unprecedented pace in Brazil.<sup>4</sup> From 2001 to 2008, the rich lost and the poor won – i.e., the former proportionally earned smaller portions of wealth as compared to the latter. In 2011, the Gini coefficient was 0.59. Then it dropped steadily, reaching 0.55 in 2008. Over this period, the income of the 10% of the poorest individuals rose six times

2 See *Sergei Soares, Bolsa Família: a Summary of Its Impacts*. International Policy Centre for Inclusive Growth *One Pager*, n. 137, 2012.

3 According to recent data from the *National Household Sample Survey* (PNAD) of 2012, since 2001 we have witnessed a downward trend in income inequality. In January 2012, the Gini coefficient reached 0.519. To Neri, “labor income accounted for 66.86% of the decline in inequality from 2001 to 2008. Then we had social programs, especially the Bolsa Família and its predecessor — Bolsa Escola —, which accounted for 17% of inequality reduction, while pension benefits accounted for 15.72% of the income distribution”. See *Marcelo Cortes Neri* (Coord.), *A geografia das fontes de renda*. Rio de Janeiro 2010. <http://www.fgv.br/cps/docs/geofonte.pdf> (last accessed on 9 October 2013).

4 To measure income distribution and inequality in Brazil, two indicators are used: the Gini index, which measures the individual distribution of income, and the share of labor income in the Gross Domestic Product (GDP), which measures the functional (or global) distribution of income. In the Brazilian case, the Gini index is based on the PNAD (National Household Sample Survey), from the Brazilian Institute of Geography and Statistics (IBGE). As almost all of the income declared in the PNAD corresponds to labor incomes and public transfers, it should be noted that the inequality measured by the Gini is not entirely adequate to reveal the distribution of income among workers on the one hand, and company owners, bankers, landlords, owners of rental properties and owners of public and private bonds, on the other hand. Cf. *Diogo R. Coutinho*, *O direito nas políticas sociais brasileiras: um estudo do Programa Bolsa Família*, in: Mario G. Schapiro/David Trubek (Org.), *Direito e desenvolvimento: um diálogo entre os BRICS*. São Paulo 2011; and *Diogo R. Coutinho*, *Decentralization and coordination in social law and policy: the Bolsa Família Program*, in: David Trubek *et al.* (Ed.), *Law and the new developmental state: the Brazilian experience in Latin American context* Cambridge 2013.

faster than the income of the 10% of the richest ones.<sup>5</sup> In 2009, the Brazilian Gini, one of the highest in the world in the late 1980 s,<sup>6</sup> declined to 0.54. Over the same period, the economy grew, on average, as little as 3.3% per year. According to data from 2012, since 2001 Brazil has witnessed a downward trend in income inequality. In January 2012, the Gini coefficient reached the record index of 0.519<sup>7</sup>.

In this context, even though inequality, poverty and extreme poverty are blatantly evident in the country, it cannot be said that there has not been some qualitative progress in terms of state capabilities to forge key policies for development. Through a long-term effort, a new institutional framework has been built in the Brazilian welfare state, which struggled to become, little by little, more inclusive, dense and complex, and more open to social control and participation.<sup>8</sup> Some authors envisage the recent emergence of a “new developmentalism”, understood as a synergetic combination of growth and social policies in a democratic environment, although the same authors warn that along that path, there are corollaries and challenges.<sup>9</sup>

One of these challenges is the coordination and exploitation of potential synergies among social policies of different scopes and targets belonging to the same national system under construction, which must be integrated to better serve their recipients and avoid duplicate procedures and multiplication of costs. This paper focuses on this topic and, in particular, on the idea of targeting within universalism.<sup>10</sup>

- 5 See *Serguei Soares* O ritmo da queda da desigualdade no Brasil. *Revista de Economia Política*, v. 30, n. 3, 2010, p. 16.
- 6 The Brazilian Gini coefficient peaked at 0.63 in 1989. See <http://www.indexmundi.com/facts/brazil/gini-index> (last accessed on 19 November 2013).
- 7 See <http://www.cps.fgv.br/cps/bd/clippings/oc462.pdf> (last accessed on 19 November 2013).
- 8 For a description of the legal and institutional frameworks of social policy in the history of the Brazilian welfare state, see *Sonia Miriam Draibe*, The national social policies system in Brazil: construction and reform, *Caderno de Pesquisas do Núcleo de Estudos de Políticas Públicas – NEPP/ UNICAMP*, n. 53 (2002) and *Celia Lessa Kerstenetzky*, O estado de bem-estar social na idade da razão, Rio de Janeiro 2012.
- 9 *Sonia Miriam Draibe*, A política social no período FHC e o sistema de proteção social. *Tempo social*, n. 15 v. 2 (2003), p. 63-101; *Eduardo Fagnani*, Política social no Brasil (1964-2002): entre cidadania e caridade. 2005. Doctorate Dissertation – Universidade Estadual de Campinas, Campinas 2005; *Frederico Barbosa da Silva*, *Luciana Jaccoud and Nathalie Beghin*, Políticas sociais no Brasil: participação social, conselhos e parcerias, in: *Luciana Jaccoud (Org.)*. Questão social e políticas sociais no Brasil contemporâneo. Brasília 2005; *Renato Boschi*, Estado desenvolvimentista no Brasil: continuidades e incertidumbres, n. 2, Ponto de vista, Santa Catarina (2010); and *Sonia Miriam Draibe and Manuel Riesco*, Estado de bem-estar social e estratégias de desenvolvimento na América Latina. Um novo desenvolvimentismo em gestação? *Sociologias*, v. 13 n. 27 mai./ago (2011).
- 10 About the idea of targeting within universalism (targeting as a way to add greater effectiveness to universal social policies), see *Theda Skocpol*, Targeting within universalism: Politically viable policies to combat poverty in the United States, in: Christopher Jencks / Paul Peterson (eds.), *The Urban Underclass*. Washington 1991. Summarizing Skocpol's arguments, Mkandawire points out: “(...) in the more successful countries, overall social policy itself has been universalistic, and targeting has been used as simply one instrument for making universalism effective; this is what Theda Skocpol

In Brazil, the social assistance agenda – as seen, traditionally associated with clientelism, philanthropy and charity – has been built, as of 1988, as a set of actions in which decentralization, intersectoral coordination, participation and social control are treated as constituent elements. On the other hand, its institutional arrangement has been forged within a wide and integrated universal system, giving rise to huge challenges in orchestration, coordination and connection with targeted cash transfer policies adopted in the early 2000s. In other words, this is the case in the interaction of the social assistance field (universal) with the BFP (targeted) under the “umbrella” of the so-called Brazilian System of Social Assistance (SUAS).

With these assumptions in mind, the political and institutional arrangement of the BFP are to be analyzed, that is, the set of rules, organizations and processes that define the particular way stakeholders and interests are coordinated in the implementation of a specific public policy.<sup>11</sup> The objective is to illustrate how technical capabilities and political capabilities are built in the BFP, under the SUAS. It is assumed that the analysis of these capabilities enables a broader reflection on the challenge of combining universalization and targeting as complementary — rather than alternative or rivaling — elements of social policy.

## B. The Brazilian Articulated System of Social Assistance (SUAS)

Among various objectives, institutions and public policy actions targeted at welfare and social security, the 1988 Constitution created, in general terms, a new institutional framework for the social assistance in Brazil. As opposed to the actions undertaken in the field of social promotion — the policies of employment and income, education, agricultural development and culture — with the new constitution, social assistance was responsible for the nationwide supply of certain benefits and services, as well as the implementation of social assistance programs and projects.

The institutionalization of a new system of social assistance gained momentum in 1993, with the enactment of the Organic Law of Social Assistance (LOAS), which regulated the operation and management of benefits, services, programs and projects and specified the objectives of social assistance — protecting families, motherhood, childhood, adolescents and the elderly, supporting underprivileged children and teens, promoting employment opportunities, rehabilitating disabled persons and promoting their integration.

According to the LOAS, Brazilian social assistance is organized into basic social protection and special social protection. The former is of a preventive nature and covers local services, programs and projects targeted at providing families and individuals, according to their

has referred to as “targeting within universalism”, in which extra benefits are directed to low-income groups within the context of a universal policy design (Skocpol 1991) and involves the fine-tuning of what are fundamentally universalist policies”. See *Thandika Mkandawire*, Targeting and Universalism in Poverty Reduction, Social Policy and Development Programme, Paper n. 23 2005.

- 11 The concept of political-institutional arrangement is the one developed by Gomide and Pires in *Alexandre de Ávila Gomide and Roberto Rocha Coelho Pires*, Capacidades Estatais para o Desenvolvimento no Século XXI. Ipea – Boletim de análise político-institucional, n. 2 (2012).

level of vulnerability, with opportunities to coexist, socialize and have shelter. The Continued Cash Transfer Benefit (BPC) is a relevant part of the basic protection. BPC is a means-tested senior citizen pension and disability grant. It provides one minimum monthly wage to the elderly and disabled people of any age<sup>12</sup>, who are incapable of working and living an independent life, so long as they can prove they are unable to earn a living or have it provided by their family. In both cases, their gross monthly per capita income must be less than one-quarter of the current minimum wage.

The second special protection is intended for families and individuals at personal or social risk, whose rights have been violated or threatened, that is, in situations of physical or psychological violations of human rights, sexual abuse or exploitation, abandonment, disruption and weakening of ties, or when the individual has been distanced from family life.

Inspired by the universal health care arrangement, known as the Brazilian Health Care System (SUS), also created by the 1988 Constitution, LOAS created a decentralized national arrangement which in 2004 was called SUAS (Brazilian System of Social Assistance). LOAS set forth that this system must operate according to a division of powers involving new players, agencies and processes.

LOAS set out guidelines for the promotion of social assistance: political and administrative decentralization and the participation of citizens through representative organizations at the three government levels. It was determined that social participation and control should occur both in the design of social assistance actions and in the implementation of these. In order to accomplish these goals, it was stipulated that the deliberative authorities of the SUAS would be organized into permanent joint councils operating at national, state and local levels. At the three levels, the social assistance councils were charged with serving as *loci* or an interface for expressing discourses, demands and interests of civil society, represented by organized groups, community leaders, unions, activists and the beneficiaries of social assistance policies, *inter alia*.

The Ministry of Social Development and Combat against Hunger (MDS) was created in 2004 from the consolidation of existing government structures. In charge of managing SUAS, this ministry was appointed to manage cash transfer programs, conduct programs to combat hunger, encourage the production and distribution of food and family farming, and to promote the right to social assistance in Brazil by transferring funds from the federal government to states and cities, and through other means. The MDS was subdivided into departments charged with managing social assistance projects at the federal level through the National Department of Social Assistance and BFP through the National Department of Citizenship Income.

12 Equivalent to approximately US\$ 300. Currently, there are 3,6 million Brazilians receiving the BPC (data from March, 2012). See <http://www.mds.gov.br/assistenciasocial/beneficiosassistenciais/bpc> (last accessed on 21 November 2013).

### I. The Bolsa Família Program

In 2003, one decade after LOAS was released, just before the creation of the MDS and the SUAS, the BFP was announced. It results from the restructuring of existing cash transfer programs and, although it was conceived as an integral part of the wider universe of social assistance and therefore, of SUAS, the BFP, to a large extent, has been implemented especially at the federal level through a legal and institutional arrangement separated from social assistance.<sup>13</sup> At the local level, the BFP and social assistance integrate more intensively and organically in their implementation dynamics, as discussed below.

Just like social assistance, the BFP operation is decentralized and shared. Both in federal or vertical terms (i.e., among federal, state and local governments),<sup>14</sup> and in intersectoral or horizontal terms (among different agencies at the federal level, such as ministries, the Caixa Econômica Federal — a federal bank — and supervisory and controlling entities), the program is managed in a cross-sectional fashion (i.e., its institutional functions are further divided). In this design, as the result of an unusual intersectoral interaction in Brazil, the Ministry of Education and the Ministry of Health are responsible for monitoring and overseeing compliance with conditionalities, as are local and state governments, in the context of a mechanism in which the MDS plays the role of a hub or a connection point.<sup>15</sup>

As in the case of social assistance services and benefits, participation and control are also described as the building blocks of the BFP. The federal law that established the BFP determines that it is executed and managed through community participation and social control, which, in the cities, take place through local entities<sup>16</sup>. For this reason, every city may offer the BFP to its citizens, as long as it establishes the so-called social control agencies. In the BFP, as in the social assistance councils, the composition of these agencies should be intersectoral (made up of professionals from different fields, such as health, education, social

13 For a discussion on the introduction of cash transfer programs in the Brazilian social policy, see *Maria Ozanira da Silva e Silva, Maria Carmelita Yazbek and Geraldo Giovanni*, *A política social brasileira no século XXI: a prevalência dos programas de transferência de renda*, 6 Ed. São Paulo 2012, especially p. 54 et seq.

14 The division of functions among the local and the state governments and the BFP is essentially the following: the local governments should enroll the households in the database of the program — which must be regularly updated — ensure access of all BFP beneficiaries to health care and education, monitor compliance of conditionalities and assist the beneficiaries, offer supplementary programs and investigate and file complaints. The state governments must offer courses to support the local governments' work of feeding and updating the database of beneficiaries, and offer activities of technical and logistical support to the cities.

15 On the federal intergovernmental coordination and the intersectoral organization underlying the BFP, see *Elaine Cristina Licio, Camile Sahb Mesquita and Claudia Regina Baddini Currello*, *Desafios para a coordenação intergovernamental do Programa Bolsa Família*. *Revista de administração de empresas*, v. 51 n. 5 2011.

16 Federal Law 10.836/2004, Article 8.



assistance, food safety and child and adolescent) and parity-oriented (the number of seats of government officials should equal the number of representatives of society).<sup>17</sup>

## II. *The BFP and social assistance in the context of SUAS*

As pointed out by Renata Bichir, the studies that focus on cash transfer programs such as the BFP rarely mention the connection with the social assistance policy, which leads to fragmented analyses.<sup>18</sup> It can be said that this fragmentation may potentially produce biased views and diagnoses of a scenario which, if observed in a more comprehensive manner and focused on the points of confluence between both political-institutional arrangements, would produce analytical gains and could ultimately catalyze state capabilities to implement policies critical to development (and, ultimately, potentially make economic and social rights more effective).

With respect to this, the interviews conducted during the research study that underpins this paper point to the fact that the relative distance between the field of cash transfer and the field of social assistance does not exist only at the level of analysis, but also at the implementation level<sup>19</sup>. It was found that there is much more integration at the bottom (local level) than at the top (federal level), especially when it comes to institutionalized participatory and deliberative environments. Why?

Some of the reasons are of a constitutive nature: although social assistance also relies on the transfer of cash — of which the BPC is the most representative sort of transfer — it is, as mentioned, a universal public policy based on the provision of social protection services. Moreover, it has a history of social mobilization more closely linked to Brazilian social movements than the BFP, which was originally designed by government officials and then “woven” into the state apparatus through intra-bureaucratic pacts.<sup>20</sup> Besides this, the BFP is a targeted cash transfer policy of a cross-sectional nature because of the intergovernmental

17 It is worth noting that the creation of social control agencies is not mandatory if the city has other councils responsible for taking care of the social assistance agenda. In these cases, the BFP functions of social control can be alternatively performed by these entities.

18 *Renata Mirandola Bichir*, *Mecanismos federais de coordenação de políticas sociais e capacidades institucionais locais*. 2011. Doctorate Dissertation – Universidade Federal do Rio de Janeiro, Rio de Janeiro, 2011, p. 63.

19 The series of interviews with MDS officials involved in the BFP occurred on July 2012. The public officials interviewed, whom I thank for spelling out their ideas on BFP and for the kindness of having taken their time to be interviewed, are Leticia Bartholo, Bruno Câmara, Denise Ratmann Arruda Colin, Celso Corrêa, Cláudia Regina Baddini Currallero, Paulo Jannuzzi, Luis Henrique Paiva e Daniel Ximenes. I am also grateful to Flávia Annenberg, a skilled research assistant who helped me in the interviews phase.

20 About the evolution of the SUAS, see *Berenice Rojas Couto et al.* *O Sistema Único de Assistência Social: uma realidade em movimento*, São Paulo 2012.



relations established in the areas of health and education. Social assistance, on the other hand, is described as a self-referenced field with its own participatory culture<sup>21</sup>.

There is another reason that may explain the difference between the BFP and the social assistance actions at the top: the BFP has been initially “shielded” against old practices of clientelism. Consider the following excerpt by Bichir based on the interviews she conducted:

*Nowadays, one of the biggest challenges — bureaucratic, institutional and even in terms of integration of the communities of public policies — is precisely this greater integration of cash transfer programs under the social assistance policy, whether at the federal or at the local level. The initial armoring of the cash transfer programs, explained in interviews with the MDS officials and local social assistance officials from Salvador and São Paulo, as necessary for the initial development of these programs in order to establish a new culture of combat to poverty as opposed to the traditional charity policies, is currently an obstacle to the reintegration with the social assistance.*

Hence, the BFP has been built outside the preexisting structure of social assistance, as it was assumed that, despite the innovations brought by the 1988 Constitution, social assistance would potentially embed elements of charity and clientelism — the “conservative side” of social assistance, as Cunha puts it<sup>22</sup>. Furthermore, in the context of severe criticism directed at its predecessor (the Zero Hunger Program), the BFP needed to build targeting instruments — improving the Database of Social Policies (to be discussed below) in order to integrate with other policies.<sup>23</sup> As Bichir points out, what represented an effective solution upon the creation of the BFP eventually turned out to be a problem, a potential obstacle to the closer interaction of a universal program with a targeted program, both of great importance for Brazil<sup>24</sup>.

21 Eleonora Schettini Martins Cunha, *Efetividade deliberativa: estudo comparado de conselhos municipais de assistência social (1997/2006)*. Doctorate Dissertation – Universidade Federal de Minas Gerais, Belo Horizonte 2009, p. 181.

22 See Eleonora Schettini Martins Cunha, note 18, p. 310.

23 As Mariana Prado puts it, the BFP could be described as a case of institutional bypass, whereby, instead of reforming or changing an institution considered dysfunctional or fraught with problems that no one wants to reproduce, a parallel institution, yet effective and efficient, is chosen. As Prado says: “[what] is an institutional bypass? Like coronary bypass surgery, in which transplanted blood vessels are used to create a new circulatory pathway around clogged or blocked vessels, an institutional bypass creates new pathways around clogged or blocked institutions. Unlike other procedures that try to unblock clogged arteries, or expand narrow ones, the coronary bypass simply ignores the existence of the unhealthy artery and creates a new pathway for blood flow. An institutional bypass uses the same strategy: it does not try to modify, change or reform existing institutions. Instead, it tries to create a new pathway in which efficiency and functionality will be the norm”. See Mariana Mota Prado, *Institutional Bypass: An Alternative for Development Reform*, nov. 2011, p. 3, <http://ssrn.com/abstract=1815442> (last accessed on 10 October 2013).

24 See Renata Mirandola Bichir, note 15, p. 49.

Table 1 synthesizes the main differences — and some common elements — between social assistance and the BFP:

TABLE 1: *Social Assistance and the Program Bolsa Familia*

	<b>Social assistance</b>	<b>BFP</b>
<b>Universalization/Targeting</b>	Universal	Targeted
<b>Constitutional provision</b>	Articles 203 and 204 of the Constitution	None
<b>Main infra-constitutional laws</b>	LOAS (Law No. 8742/1993) and Basic Operational Rule (NOB-SUAS)	Law No. 10836/2004 and Decree 5209/2004
<b>National system to which it belongs</b>	SUAS	SUAS
<b>Ministry in charge</b>	MDS (SNAS)	MDS (SENARC)
<b>Objectives</b>	Social protection and income substitution	Cash transfer and reduction of intergenerational transmission of poverty and income complementation
<b>Conditionalities</b>	None	Conditionalities in health and education
<b>Provision involved</b>	Services and benefits	Benefits
<b>Relationship with other areas (e.g. health and education)</b>	Separation	Cross-sectional nature
<b>Participatory institutions</b>	Social assistance councils and social assistance conferences at the local level	Social control agencies at the local level
<b>Implementation context</b>	History of social mobilization and participation (bottom-up)	Technocratic origin, via covenants (top-down)

*Prepared by the author.*

### C. The Political and Institutional Arrangement of the BFP

With the gradual transformation of social policy in progress, new dynamics and tensions of political economy, new public policy objectives, new players and new agencies of coordination, participation, deliberation, consultation and establishment of common goals have de-

manded the development of technical and political capabilities in the construction and operation of new political-institutional arrangements. Besides this, setting new goals, means, institutions and processes requires not “just” imagination and institutional designing skills to put new or innovative arrangements into practice; it also implies the complex and cumulative task of renovating, adapting and connecting existing legal and institutional arrangements into other ones.

As a result, in the wake of the new social policy framework established in the democratic environment after 1988, unprecedented challenges and tensions of public management have been challenging the ability of the Brazilian state to respond to both the imperatives of decentralization and orchestration of universal and targeted actions and to the requirements of social participation and control.

Therefore, one can say that the design, construction and renovation of new and existing political-institutional arrangements lead to a compelling reflection on how the dimensions of *effectiveness* (understood as the existence of competent organizations, tools and professionals skilled in the management and coordination of governmental actions) and *legitimacy* (the existence of representative, participatory and deliberative institutions focused on including new players, negotiating interests, reaching consensus and building supporting political coalitions) are structured and relate to each other.<sup>25</sup>

The coexistence of the goals of effectiveness and legitimacy should not be taken for granted and has been analyzed in the context of the structural contradictions in the European welfare state.<sup>26</sup> Moreover, the relationship between these two dimensions (or values) has drawn special attention during the fiscal and financial crisis of welfarism and Keynesian policies.<sup>27</sup> However, this debate has recently generated renewed interest as it was hypothesized that there is no necessary trade-off or tension between effectiveness-driving arrangements and arrangements that seek to ensure or guarantee legitimacy. For commentators like Peter Evans, the participation of social or business players, instead of hampering public policies, increasing their transaction costs and compromising their effectiveness, may make them even more

25 According to Gomide and Pires: “the technical and administrative capacity to implement development policies can actually exist both in the presence and in the absence of democracy (...). However, in the Brazilian case, the consolidation of the democratization after the federal Constitution of 1988 (...) has imposed on the state action (historically characterized by its insulation or for constituting restricted decision-making arenas) requirements relating to the inclusion of parties affected (...). In other words, the Brazilian democratization poses to the state the challenge of making, implementing and coordinating public policies while in constant interaction with an increasingly participatory civil society.” See Gomide and Pires, note 5, p. 27.

26 E.g. Claus Offe, Legitimacy versus efficiency, in: John B. Keane (Ed.). Contradictions of the welfare state, United States 1984.

27 For a review of this literature in the Brazilian and (more broadly) Latin American cases, see Sonia Miriam Draibe and Henrique Wilnès, Welfare state, crise e gestão da crise: um balanço da literatura internacional. Revista brasileira de ciências sociais, n. 6 (1998).

functional.<sup>28</sup> This is so because the dynamics of the deliberative process — powered by disagreements and clashes that lead to conceptual and practical reconstructions and reformulations, as well as new consensuses — would eventually improve public policy measures.

If relationships involving effectiveness and legitimacy are not taken for granted in industrial developed welfare states, then this is even more the case in contexts where some forms and functions of the welfare state of younger democracies are still being erected. In these, public policies that consider tensions and trade-offs as well as complementarities require even more skillful use of cutting-edge formulation, planning and management mechanisms. They further require that efforts to encourage societal participation in reaching out to players who otherwise would not have a say in the design, implementation and evaluation of policies critical to development are taken as seriously as efforts to produce well-oiled gears for smooth policy operation from a technical and administrative point of view, which makes challenges even tougher, especially in situations where the speedy or urgent implementation of measures is needed.

### *1. Technical and administrative capacities in the Bolsa Familia*

From the point of view of technical and administrative capabilities, it seems reasonable to say that the BFP is an innovative and successful initiative compared to the political-institutional arrangements that characterized the standard of social policy in Brazil from 1930 to 1988. Among other characteristics, besides placing social participation and control as its building blocks, the program develops, uses and improves a national database of vulnerable citizens (the Database of Social Policy), adopts decentralized and intersectoral management mechanisms, makes use of relatively sophisticated mechanisms of technocratic covenant of heads of different government levels, employs strategies to induce and reward administrative perfor-

28 The following excerpt discusses this issue: “[w]hile organizational and institutional forms will vary depending on the cultural and historical context, effective mechanisms of deliberation that include a broad cross-section of society will be the foundation of effective public policy (Evans, 2011, p. 10). Along these lines, it is worth transcribing the following excerpts, backed by empirical research whose results are compiled in a report authored by the Development Research Centre on Citizenship, Department for International Development (DFID), United Kingdom: “(...) the vast majority of the outcomes found in the studies (...) provides strong evidence of the contribution of citizen engagement for achieving development goals, building responsive and accountable states and realising rights and democracy”, Development Research Centre on Citizenship, Participation and Accountability – DRC, *Blurring the boundaries: citizen action across states and societies. A summary of findings from a decade of collaborative research on citizen engagement*. Brighton UK 2011, p. 7. Later in the same document: “[o]ur research, by contrast, shows how social movements, from the outside, create and hold open democratic spaces that create possibilities for reformers on the inside to change and implement policy” (p. 14). See *Peter Evans*, *The capability enhancing developmental state: concepts and national trajectories*, Paper presented at the United Nations Research Institute for Social Development (UNRISD)-Korea International Cooperation Agency (KOICA), Conference Seoul, Korea (2011). On this issue, see also *Oghenemano Emmanuel Edicheji*, *The state, state-society relations and developing countries’ economic performance*, Thesis (Philosophiae Doctor) – Norwegian University of Science and Technology, Trondheim 2007.

mance, establishes conditionalities as a way of inducing behavior and stimulates integration and articulation with other social policies, thus serving as a “natural laboratory of innovation” in the social policy agenda.<sup>29</sup>

Below are some of the management innovations associated with BFP, illustrating its technical and administrative capabilities:

1) *Targeting mechanism*: beneficiaries of the BFP must be enrolled in the Database of Social Policies. Even though this database existed before the BFP, it has been continuously improved and updated. It is fed with information from the cities, which should spot vulnerable households and fill in federal databases with poverty estimates based on a methodology pre-defined by the MDS. Especially when considering its immense scale and in spite of the exclusion errors to be corrected, the BFP has been considered successful in terms of targeting because its margin of error is small and a significant portion of its funds reach the poorest households of Brazil at a relatively low cost: 0.35% of the GDP.<sup>30</sup>

2) *Conditionalities*: to benefit from the cash transfers, the beneficiaries must meet some conditionalities on health and education.<sup>31</sup> The use of conditionalities in the areas of health and education can also be considered an integral part of the BFP range of technical and administrative capabilities. The adoption of a rationale that induces and rewards behavior in the field of social policy in Brazil marks a management innovation in the Brazilian welfare state, which is also unique in the field of conditional cash transfers. In the case of the BFP, as Bastagli points out, the failure to meet these conditionalities does not immediately cause the suspension

- 29 On the BFP innovations in terms of technical and administrative capabilities, see, among others, *Francesca Bastagli*, From social safety net to social policy? The role of conditional cash transfers in welfare state development in Latin America. International Center for Inclusive Growth (IPC), Working Paper, n. 60 2009; and *Kathy Lindert et al*, The nuts and bolts of Brazil's Bolsa Família Program: implementing conditional cash transfers in decentralized context. The World Bank – Social Protection Discussion Paper, n. 0709 (2007).
- 30 Cf. *Fábio Veras Soares, Rafael Perez Ribas and Rafael Guerreiro Osório*, Evaluating the impact of Brazil's Bolsa Família: cash transfer programmes in comparative perspective. International Poverty Center Evaluation Note, n. 1 (2007); and *Serguei Soares, Rafael Perez Ribas and Fabio Veras Soares*, Targeting and coverage of the Bolsa Família Programme: why knowing what you measure is important in choosing the numbers, International Policy Centre for Inclusive Growth (IPC-IG) Working Paper, n. 71 (2010).
- 31 For health, the households enrolled in the BFP undertake to vaccinate and monitor the growth of children under 7. Women aged 14-44 should see their doctor regularly and pregnant or lactating women should have prenatal testing and monitor their health and the health of their child. For education, all children and adolescents aged 6 to 15 must be enrolled in school and attend at least 85% of the classes per month. Students aged 16 to 17 must attend at least 75% of the classes. Besides this, children and adolescents aged up to 15 at risk or removed from child labor should attend the Services for Strengthening Bonds and Daily Relationships (SCFv) of Peti (Program for the Eradication of Child Labor) and have an attendance rate of at least 85%.

of a beneficiary's cash transfer (i.e., it is not meant to be punitive). Instead, it is a sign that this beneficiary may be facing difficulties in meeting them.<sup>32</sup>

3) *IGD*: another example of technical-administrative capability of the BFP is the IGD (Decentralized Management Index), created in 2006 as a result of improvements in the program.<sup>33</sup> It is a numeric index that ranges from 0 to 1 and evaluates how good and up-to-date the information found in the Database is and the assiduity and integrity of information on compliance with education and health conditionalities by beneficiary households.<sup>34</sup> Its purpose is to assess, on a monthly basis, how effectively each city manages the BFP and the Database. From the outcomes of the assessment, financial support is offered to the cities, so that they may improve their management practices. Based on this indicator, the MDS transfers funds to the cities to encourage them to improve the quality of the BFP management at a local level and help the cities fulfill their responsibilities.<sup>35</sup> As Brazil has more than 5,500 cities that signed statements of acceptance to join the BFP, and many of them have no financial or administrative capacity to fulfill the obligations established under the program, the IGD simultaneously serves the purpose of helping cover the costs of implementation at a local level and introduces performance-based mechanisms of encouragement and reward. These mechanisms, in turn, are described in the literature as a way of solving agent-principal problems in the implementation of a large-scale program in the context of decentralization.<sup>36</sup> The IGD, as

- 32 "In Brazil, where a beneficiary's failure to comply with conditionality is understood as a 'flag of vulnerability', in the first instance the response to non-compliance includes verification of the reasons for non-compliance, and the beneficiary is entitled to additional support and individualised services from the municipal authorities (...). Only if non-compliance persists do beneficiaries initially receive a notification from the Ministry of Social Development. In subsequent stages, benefit payments are suspended and in a final step they are terminated". Cf. *Bastagli*, note 23, p. 9.
- 33 See the *MDS*, Handbook on the BFP Decentralized Management Index — IGD, available (in Portuguese) at [http://bolsafamilia.datasus.gov.br/documentos\\_bfa/IGD.pdf](http://bolsafamilia.datasus.gov.br/documentos_bfa/IGD.pdf) (last accessed on 19 November 2013).
- 34 The IGD of each city is calculated according to four variables: database completeness rate, database updating rate, children's school attendance rate and rate of households monitored for health conditionalities. See *MDS*, note 35.
- 35 The cities can use the IGD to support their BFP management and to develop activities with beneficiary families — including the management of conditionalities and benefits, monitoring beneficiary households, enrolling new households, updating and reviewing data, implementing complementary programs in the areas of literacy and education of adults and young adults, professional development, employment and income generation, territorial development and strengthening the BFP social control in the city.
- 36 "These performance-based incentives are an important 'carrot' in solving the 'principal-agent' dilemma of third-party responsibilities for implementation in a decentralized context." Cf. *Lindert et al.*, note 23, p. 31.

well as the conditionalities, in the case of the beneficiaries, is a new mechanism of behavioral induction in Brazilian cities.<sup>37</sup>

## II. Political capabilities in Bolsa Família

To Sonia Draibe, a Brazilian social policy expert, the federal, state and local bodies of public policy incorporate a new institutional structure and new dynamics of public management: they are underpinned by their potential to serve as effective channels and spaces of negotiation and consensus building both in the civil society/government relationship and among parts of society which otherwise would not be reached.<sup>38</sup>

As already stated, to join the BFP, Brazilian cities and towns must, under the statements of acceptance they have signed with the MDS, create social control agencies for the program (alternatively, they could, as actually occurred in most cities, use other city councils to serve as social control agencies for the *Bolsa Família*)<sup>39</sup>. That was the way the BFP federal management induced the Brazilian cities to encourage citizen participation, evaluation and monitoring. The MDS describes the social control performed by those agencies as “a partnership between the state and society that enables sharing responsibilities and provides transparency to the government’s actions, seeking to ensure that underprivileged households have access to the cash transfer policy.”<sup>40</sup>

In the BFP political-institutional arrangement, the main activity of the social control agencies consists of daily monitoring of the program in the city, especially with regard to issues such as inclusion of eligible beneficiaries, managing the payments and conditionalities, overseeing actions, finding poor households to be included in the program, assessing the availability and quality of education, health and social assistance services in the city, and monitoring and investigating complaints and encouraging community participation.<sup>41</sup>

- 37 A criticism of the IGD as a tool that stimulates effectiveness could be the following: by rewarding the cities attaining the highest score, the index eventually rewards precisely those local governments that are more capable of managing the BFP. In doing so, it would fail to support the least equipped cities (and perhaps those that most need these resources). Nevertheless, such a statement could only be proven with empirical data that is not available.
- 38 Sonia Miriam Draibe, Nova institucionalidade do sistema brasileiro de políticas sociais: os conselhos nacionais de políticas setoriais, Caderno de Pesquisas do Núcleo de Estudos de Políticas Públicas – NEPP/UNICAMP, n. 35 (1998) p. 9.
- 39 Cf. Federal Decree 5.209/2004, Article 11.
- 40 For further information, see Ministério do Desenvolvimento Social e Combate à Fome (MDS) – Brasil, Bolsa Família – Controle Social, <http://www.mds.gov.br/bolsafamilia/controlesocial> (last accessed on 10 October 2013). In 2008, the MDS prepared a detailed document called “A Guidebook for the Social Control Agencies” (Guia de Atuação das ICS), see MDS, note 8.
- 41 According to the guidelines outlined in the guidebook issued by the Ministry of Social Development “Social control in the cities — social assistance and the Program *Bolsa Família*”. See Ministério do Desenvolvimento Social e Combate à Fome (MDS) – Brasil, Capacitação para controle social nos municípios: assistência social e Programa Bolsa Família, Brasília 2010.



Like the city councils for social assistance, the BFP social control agencies should be permanent, parity-oriented, representative, intersectoral and autonomous, which means they must be made up of an equal number of members representing the government and civil society, ensure the participation of members from the area of social assistance, health and education, and, in terms of decision-making, be independent from the political power or local bureaucracy. These agencies were established to serve as *loci* in which societal demands are expressed in a participatory manner and also as government structures with enough scale to implement, improve, control and calibrate the BFP actions. It can be said that the tasks assigned to these agencies reveal that not only does social participation in the program depend on them, but, ultimately, its very effectiveness does as well.

### III. Capabilities in action

This section discusses how, in concrete and real terms, the BFP technical and political capabilities are structured and combined. In this discussion, it is assumed that, even if considered that effectiveness and legitimacy — or, more specifically, technical capabilities and political capabilities — complement each other, they are not, in real life, built or fostered simultaneously and with the same intensity.

A possible interpretation is that, in the first ten years of the BFP, technical capabilities prevailed over political capabilities. Throughout the interviews, some of the government officials said that the BFP needed to be kicked off rather quickly, especially in its early years. One of them said that it was necessary to rely on a speed “that only centralized decision-making is capable of providing.”

As already stated, it was necessary to design an effectively new program that did not bring the burden of negative experiences — whether connected to the unsuccessful experience of the Zero Hunger Program, or to the clientelism ingrained in social assistance. Building on the lessons learned from local experiences of cash transfers and by emulating mechanisms developed in other policies, the BFP management focused on building the means by which good targeting parameters could be reached, as opposed to the cases of “leakage” that occurred in the past.<sup>42</sup> As a result, during the second half of the 2000 s, in pursuit of speed and consistency,

42 In that context, starting in 2003 and in the following years, it was realized that it would be necessary to respond immediately to political demands and promises to fight hunger and poverty. This became even more pressing when stronger criticism of the Zero Hunger Program arose. Fragmentation, lack of focus and excessive bureaucratic procedures were some of the criticisms expressed about the Zero Hunger Program. On the criticisms addressed to the Zero Hunger Program, see *Maria Carmelita Yazbek*, O Programa Fome Zero no contexto das políticas sociais brasileiras, São Paulo em perspectiva, v. 18 n. 2 abr./jun. (2004); and *Anthony Hall*, From Fome Zero to Bolsa Família: Social Policies and Poverty Alleviation under Lula. *Journal of Latin American studies*, v. 38 (2006), p. 696. I would like to thank Renata Bichir for her note about how the BFP, in an attempt to stay away from ill-fated experiences (cash transfers fraught with errors of inclusion and exclusion), may have overestimated technical capabilities.

solutions negotiated between government officials in centralized intra-bureaucratic environments offset the tone for the BFP.

It could be contended that, from a certain point of view, aspects of legitimacy — those connected to the challenge of designing, implementing and coordinating policies in interaction with civil society — have a “relative backwardness” compared to aspects of effectiveness in the BFP. The program has been recognized from a technical and administrative perspective as a successful experience (innovative, flexible and effective), but when it comes to political capabilities, “it is still carving out its paths of legitimacy,” an interviewee noted.<sup>43</sup>

Another angle from which to broach this issue would be considering that effectiveness did not prevail to the detriment of legitimacy, because by insulating the BFP, what the government intended was precisely to legitimize it. In other words, the initial insulation and centralization served to curb any latitudes that could contaminate the BFP with undesirable practices if it was not properly “shielded”. This is a different way of conceiving legitimacy.

It can also be argued that the BFP has been gaining legitimacy as it produces effective results. This view of legitimacy was also voiced in the interviews, which unveils the understanding that such a complex program needs to be structured around smaller bureaucratic and centralized circles before it is discussed with other authorities and with society.

In any of the views mentioned about the meaning of legitimacy under the BFP, the interviews revealed that so far there has not been any permanent or insoluble tension or trade-off between effectiveness and legitimacy — either as a result of precedence, or according to an idea that technocratic insulation ensures legitimacy, or through an understanding that legitimacy derives, at least in part, from the result of the policy concerned.

#### **D. Intertwining at the Bottom, Fragmentation on Top: The Way Ahead**

I argued that the BFP, recognized for its innovations in the technical and administrative capabilities connected to the dimensions of effectiveness, may, in its first years, have failed to add value to legitimacy, as it mobilized means to implement decisions in a centralized and coordinated manner at the federal level.<sup>44</sup> It is worth noting that, on the one hand, this has been detrimental to the BFP in terms of political capabilities. On the other hand, as it built on

43 On certain attributes that translate the BFP technical capabilities — institutional innovation, orchestration, coordination and flexibility, see *Lindert et al.*, note 23; *Soares, Ribas and Osório*, note 24; *Fábio Veras Soares*, Brazil’s Bolsa Família: a review. *Economic & Political Weekly (EPW)*, v. 46 n. 21 (2011); *Bichir*, note 12; and *Coutinho*, note 21, 2013.

44 As Licio puts it: the “combination of a centralized initiative (BFP) and a decentralized one (SUAS) was chosen by the federal government to nationalize the Program with good coverage and targeting. That was made possible by recognizing the dependence on the cities’ empowerment to implement the program, which was perceived when several coordination problems were faced by the federal government regarding the procedures carried out at the local level under a hierarchical pattern of intergovernmental relations.” Cf. *Elaine Cristina Licio*, Para além da recentralização: os caminhos da coordenação federativa do Programa Bolsa Família (2003-2010). Doctorate Dissertation – Universidade de Brasília, Brasília 2012, p. 180.

an existing infrastructure, such a fact drew it closer to the social assistance agenda, stimulating consensuses and dialogues between two policies of a different management culture.

Returning to the assumption that public policies can be viewed according to their technical and political capabilities, what seems to be occurring in the BFP is a case in which the initial impulse of insulation for the construction of its technical capabilities has been unintentionally used, after implementation, to contribute to constructing and institutionalizing political capabilities through the use of structures of social assistance. That is the case because, despite the fragmentation between social assistance and the BFP at the federal level, at the local level both programs are intertwined, to a large extent, within the same structures and institutional arrangements.

As reported by the Ministry of Social Development, agencies of social control specifically established for the BFP represent 39% of the existing agencies of social control, while the former social assistance agencies used simultaneously by the BFP correspond to 61% of the cases.<sup>45</sup> Therefore, this reveals that about two-thirds of the BFP social control agencies use social assistance structures to operate the program at a local level and exercise social control. This fact indicates, among other things, that the BFP and the social assistance agenda are amalgamated at the “top” of their political-institutional arrangements, where they are together under the institutional “umbrella” of the SUAS.

Not surprisingly, smaller and poorer cities depend more heavily on administrative and participatory institutions and structures of social assistance to roll the BFP out in their cities. In Brazil, it is well recognized that smaller cities tend to have weaker institutional and management capabilities. As Bichir once more puts it in her study on local institutional capacities in the BFP:

*[I]n general, data (...) suggest that there is greater institutional capacity in larger cities, especially those with more than 500,000 inhabitants (...). These greater capacities are represented by the presence of exclusive social assistance departments and stricter local regulation of social assistance tasks, better qualified personnel and better equipment infrastructure, among others.*<sup>46</sup>

It can be concluded that social participation and control in the BFP, especially in cities with a poorer administrative capacity, heavily depend on the pre-existing structures of social assistance, since these are more institutionalized and stronger in terms of policy community — that is, they can rely on political communities made up of organic players belonging or not belonging to the government (members of the executive and legislative branches, scholars,

45 As explained in note 11 above, under the BFP, the establishment of social control agencies is not required if the city has other social assistance councils in place. As to the percentages reported above, see the presentation of Camile Mesquisa, technical advisor to the BFP coordination office. *Camile Mesquisa*, Controle Social no programa Bolsa Família, [http://www.ipc-undp.org/doc\\_africa\\_brazil/10.SENARC\\_Control\\_Social\\_PBF\\_Camile\\_Mesquita.pdf](http://www.ipc-undp.org/doc_africa_brazil/10.SENARC_Control_Social_PBF_Camile_Mesquita.pdf) (last accessed on 10 October 2013).

46 *Bichir*, note 12, p. 161.

consultants, stakeholders, *inter alia*), who have a common interest and concern with the issues and problems in this area.<sup>47</sup>

Therefore, the hybridization of the BFP with social assistance at the local level suggests potential synergies between the two programs and, broadly speaking, between universal and targeted actions. However, hybridization is not satisfactorily consistent and coordinated at the federal level (even though the BFP and social assistance are part of the same ministry). Instead, what we see is a hint of fragmentation, a lack of institutional dialogue between both public policies, partly due to the initial insulation undergone by the BFP. This is expected to change — which undoubtedly implies efforts to make *Bolsa Família* more permeable to the interaction with the social assistance agenda — and help Brazil achieve a desirable position towards an arrangement of targeting within universalism.

47 A definition of policy community can be found in Cunha, note 14, p. 118. To this author, city councils of social assistance have the “strong presence of a policy community made up of social and political players, which moves across the three levels of government” (p. 308).