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ABSTRACT

The paper examines heterogeneity in programme outcomes from Bolsa Família, a flagship social assistance programme in Brazil reaching 14 million households. Following a review of existing evidence on mean impacts, the paper develops and estimates the first panel data quantile regression model of the distribution of Bolsa Família outcomes across municipalities. The quantile point estimates of programme effects show no significant effects on adult labour force participation but positive and significant effects on girls' school attendance. Girls' attendance effects are stronger in municipalities with lowest rates in the conditional distribution of school attendance.

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1. Introduction

In the new century, Brazil managed a significant reduction in poverty, inequality, and social exclusion. During the first decade, the share of the Brazilian population in extreme poverty declined from 22% to 11%, while the Gini coefficient of per capita household income fell by 10%. Several studies estimate that while a large share of the reduction in poverty and inequality is a product of economic growth and improved labour markets, the emergence of large-scale social assistance institutions made an important contribution (Barros, Carvalho, & Franco, 2007; Soares, Ribas, & Osório, 2010). Among them, *Bolsa Família*, an antipoverty programme reaching 14 million households, including one third of all children in the country, has been particularly influential. Research into the effectiveness of *Bolsa Família* has produced a wealth of information on programme impacts (Campello & Neri, 2013) but, with one exception discussed below, studies have so far focused on identifying and estimating mean effects. This paper examines the distribution of the outcomes across municipalities in Brazil.

The motivation behind focusing on heterogeneous programme effects is straightforward. The contribution of *Bolsa Família*, and other social assistance programmes, to the reduction of poverty and inequality will be better understood if we are able to assess the distribution of outcomes, as well as their mean. The paper contributes to the existing literature on the effectiveness of social assistance by focusing attention on the distribution of *Bolsa Família* outcomes, as regards labour supply and school attendance, across municipalities in Brazil. To address the associated methodological and data challenges, we develop and estimate a quantile regression model and apply it to household survey data across municipalities in Brazil. Our analysis confirms that the heterogeneity of labour supply effects across municipalities are not statistically significant, but suggests there is significant heterogeneity in outcomes for girls school attendance across municipalities, with equalising effects.

The rest of the paper is organised as follows. Section 1 discusses the emergence of *Bolsa Família*, paying special attentions to its design and underlying conceptual framework. Section 2 reviews the literature on mean programme outcomes as identified in available impact evaluation studies. Section 3 develops an estimation approach to study the distribution of *Bolsa Família* outcomes and describes the data employed. Section 4 presents the main results on the distribution of labour supply and school attendance outcomes across municipalities in Brazil, and discusses their implications. A final section concludes.

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2. The emergence of *Bolsa Família*

The evolution of social assistance¹ in Brazil has been swift, but far from linear. The 1988 Constitution, following from 20 years of dictatorship, is the marker for the rapid expansion of social assistance programmes and policies in the years that followed. However, the policy instruments the Constitution supported, *Previdência Social Rural* and the *Benefício de Prestação Continuada*, were not especially innovative or farsighted. Their orientation was firmly rooted in conventional welfare policy, on a distinction between individuals with or without the ability to work (Jaccoud, Haddad, & Chaibub, 2009). They focused on old age poverty and on disability, but failed to address child poverty (Barros & Carvalho, 2003); and favoured pure income transfers which replicated the ‘compensatory’ approach of golden age European social assistance. *Bolsa Família* developed instead out of municipal experimentation with *Bolsa Escola*, rooted in a mix of guaranteed income proposals, multi-dimensional perspectives on poverty, and education interventions.

The roots of *Bolsa Família* are in *Bolsa Escola*, a programme introduced in parallel in a handful of municipalities in 1995 as a means of addressing the impact of crises on poor households. Its intellectual origins can be traced to guaranteed income proposals and to interventions to ensure social investment and employment among households in poverty. Senator Eduardo Suplicy, the Workers Party’s first elected Senator, introduced a bill in 1991 proposing to implement a negative income tax scheme. The proposal was approved in the Senate, but was never implemented. Jose Marcio Camargo, an influential academic with a strong reputation for research on poverty argued the guaranteed income was unlikely to have an impact on persistent poverty in Brazil if it was not linked to improvements in the productive capacity of households in poverty (Britto & Soares, 2011). Linking transfers to improvements in children’s education gave the guaranteed income idea considerable political traction (Melo, 2007a, 2007b).

The Constitution gave an enormous impetus to decentralisation. In Brazil, municipalities are federal entities, with considerable room for experimentation. Some municipalities began experimenting with guaranteed income schemes linked to children’s schooling and other interventions. *Bolsa Escola* emerged from municipal activism on poverty reduction.² The experimental programmes soon began to be replicated in other municipalities. In 1997 the federal government offered financial incentives to municipalities to ease the adoption of *Bolsa Escola*.³ *Bolsa Escola* became a federal programme in April 2001 under the responsibility of the Ministry of Education. Similar federal initiatives included the Programa de Erradicação do Trabalho Infantil (PETI) first introduced in 1996. Initially located in municipalities with high incidence of child labour in hazardous employment, the programme provided direct transfers to households as well as remedial education in after-school sessions. The programme was especially successful, in part because of the supplementary education provided (Brazilian Court of Audit, 2003).⁴

The apparent success of *Bolsa Escola* and PETI, and especially their core idea of providing direct transfers to households in poverty, stimulated similar policy initiatives in other Ministries.

¹ Social assistance describes tax-financed public programmes and policies addressing poverty and vulnerability. Social insurance describes contributory schemes addressing life-cycle and work related contingencies. Together, social assistance and social insurance are the main components of social protection (Barrientos, 2013b).

² There are several ‘fathers’ of *Bolsa Escola*, including Cristovão Buarque in Brasília and Magalhães Texeira in Campinas.

³ In 1998, 60 municipalities had adopted the programme. Their number mushroomed to 1115 by 2000.

⁴ Both federal *Bolsa Escola* and PETI played a role in the social development strategy of Presidente Cardoso and his social policy advisor Vilmar Faria (Faria, 2002).

Table 1

Bolsa Família. All values are for July 2014 (US\$ 2013 PPP 1 = R\$1.61).

	<i>Bolsa Família</i>
Target population	Households in extreme poverty and households in moderate poverty with children
Eligibility	Households with per capita income ≤ R\$77 (US\$48) and households with children with per capita income ≤ R\$154 (US\$96)
Monthly benefits	Basic transfers = R\$77 (US\$48). Variable transfer = R\$35 (US\$22) per child (0–15) up to five; R\$ 42 (US\$26) for each youth (16–17) up to two; R\$35 (US\$22) if expectant mothers; R\$35 (US\$22) if children 0–6 months. Households with per capita income >R\$77 and ≤R\$154 receive child transfers only. From 2012, the <i>Benefício de Superação da Extrema Pobreza</i> provides a ‘top up’ to households with incomes below R\$77 after transfers
Reach	14 million households
Budget as % GDP	.6
Agencies responsible	Ministério de Desenvolvimento Social Caixa Econômica Federal

Source: Barrientos (2013a), updated July 2014.

The Ministry of Health introduced a *Bolsa Alimentação* in September 2001, aimed at expectant mothers and infants and with the objective of reducing malnutrition and infant mortality. In 2003, the Ministry of Mines and Energy began to implement a gas subsidy, *Auxílio Gás*, to compensate households in poverty for the phasing out of gas subsidies.⁵

The arrival to government of Lula in 2002 did not seem auspicious for this policy agenda at first. His campaign emphasised giving priority to the fight against hunger (Hall, 2006). In office, he created an Extraordinary Ministry for Zero Hunger, which floated a raft of new interventions, including a new family subsidy, the *Cartão Alimentação*, providing in-kind and cash transfers. Very soon, opposition from experts, policy makers and beneficiaries themselves led to a change in policy. The fact that Lula’s transition programme had paid attention to the need to consolidate all transfer programmes facilitated a swift change in policy.⁶ He announced the implementation of *Bolsa Família* as a single programme aiming to provide transfers to households in extreme poverty, and integrating all existing subsidy programmes, a process beginning in 2003. A new Ministry for Social Development and Zero Hunger was established to manage *Bolsa Família* in 2004.⁷ *Bolsa Família* greatly expanded the coverage of *Bolsa Escola* and the other income transfer programmes. The number of households participating in *Bolsa Família* increased from 6.5 million in 2004 to 14 million in 2013. Table 1 provides a summary of *Bolsa Família* transfers.

3. Outcomes

This section provides a brief review of the main findings from studies on *Bolsa Família* outcomes. As noted above, this literature focuses largely on mean impacts. The next section reports on the distribution of outcomes across municipalities.

Bolsa Família consolidated existing transfer programmes, which might explain why it lacks a baseline. Evaluation surveys were only collected in 2005 (AIBF1) and 2009 (AIBF2), and the main results were placed in the public domain only in 2012 (de Brauw,

⁵ Melo (2007b) argues that political competition between the Workers Party and the Partido Socialista Democrático Brasileiro (PSDB), and among politicians within them, was a contributory factor in the emergence of the transfer programmes.

⁶ We are grateful to one of the referees for pointing this out.

⁷ Until 2004, social assistance was the responsibility of the Ministry of Labour and Social Assistance.

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