

Distributive Politics and Conditional Cash Transfers: The Case of Brazil's *Bolsa Família*

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Summary. — Brazilian politicians have long relied on pork and clientelism to win political support, and recent literature suggests that little has changed. However, researchers have yet to systematically investigate whether political criteria influence the distribution of funds through *Bolsa Família*. This is especially surprising given the program's prominence in the international community. In this paper, I examine whether political criteria explain the federal government's distribution of *Bolsa Família*. I find little evidence that political criteria explain the difference between the number of poor families that live in a municipality and the number of families that receive support. I conclude by discussing the broader significance of this large, programmatic policy to Brazil's political development.
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Key words — Latin America, Brazil, distributive politics, conditional cash transfers, clientelism

1. INTRODUCTION

Conditional cash transfer (CCT) programs have become an increasingly popular tool for combating poverty. Having originated in Brazil and Mexico, over 30 countries now provide small stipends to poor families in exchange for their meeting specific conditions, such as scheduling prenatal checkups or maintaining sufficient school attendance (Fiszbein, Schady, & Ferreira, 2009). Brazil's *Bolsa Família* program, with 12 million families enrolled, is the largest CCT program and often is cited as an exemplar.¹ For example, the World Bank, which has provided both technical assistance and funding to support the implementation of *Bolsa Família*, has offered flattering assessments of the program (see, e.g., World Bank, 2010).²

However, these reports pay remarkably little attention to the potential for political interference in how transfers are distributed. Turning a blind eye to possible political manipulation is especially surprising given Brazil's history of distributing public resources according to political criteria (Ames, 2001; Barbosa, 1988; Geddes & Ribeiro, 1999; Hagopian, 1996; Leal, 1977; Nunes, 2010; Reis, 2006). Views that "Brazil is undeniably not past its period of traditional politics (Hagopian, 1996, p. 248)" and that "exchange politics" returned with a vengeance upon redemocratization (Geddes & Ribeiro, 1999) are echoed by current literature, which also finds that programmatic politics have yet to take hold in Brazil (Kitschelt, Hawkins, Luna, Rosas, & Zechmeister, 2010) and by recent efforts to lower the standard of proof needed to convict a politician for vote-buying (Reis, 2006). And a quick glance at the distribution of *Bolsa Família* reveals that the number of families that receive money through the program differs from the target established by the program in a surprising number of instances.³

Which story is accurate? If government programs remain heavily politicized, then we would expect political criteria to play a role in determining the distribution of *Bolsa Família* as they have for antipoverty programs such as FONCONDES in Peru (Schady, 2000), PRONASOL in Mexico (Cornelius, Craig, & Fox, 1994; Diaz-Cayeros, Magaloni, & Estévez, 2008; Magaloni, Diaz-Cayeros, & Estévez, 2007), Plan Trabajar (among others) in Argentina (Lodola, 2005; Weitz-Shapiro, 2006) and in various contexts around the world (Chubb, 1982;

Dahlberg & Johansson, 2002; Levitt & Snyder, 1995). However, if the distribution is technocratic, then *Bolsa Família* represents an important shift to more efficient and equitable social policies.

Answering this question has significance beyond Brazil. Trading votes for favors is common throughout the developing world. CCT programs, if subverted by clientelist pressures, could serve to strengthen political machines and to hinder economic growth (Keefer & Vlaicu, 2007; Lyne, 2007; Robinson & Verdier, 2002). On the other hand, if implemented effectively, CCT programs would not only provide direct economic gains through poverty relief and human capital formation, but also could free voters from clientelist networks that tend to underinvest in the public goods that are necessary for long term growth.

In this paper, I investigate whether political criteria explain the federal government's distribution of *Bolsa Família*. Specifically, I test whether these criteria account for the difference between the number of families that are deemed eligible for the program in a municipality and the number of families to which the federal government actually makes payments. Political criteria are only weakly associated with this difference between a municipality's quota and the number of families that receive support. This result is in sharp contrast to Schady's findings in Peru, where a one standard deviation in the vote for the incumbent presidential candidate (Fujimori) led to a 55% increase in social spending. In Brazil, local governments' failure to register eligible families and violations of the

* I would especially like to thank Georgia Carapetkov for contributions she made during early stages of this project. I also thank Mark Axelrod, Natalia Salgado Bueno, Edwin Camp, Renan Levine, Ken Scheve, Susan Stokes, Luke Thompson, Atheendar Venkataramani, Susan Wang, and participants at Yale University's Comparative Politics workshop, the Fundação Getulio Vargas-Rio Law workshop, the Latin American Studies Association's 2010 conference, and the 2010 Midwest Political Science conference for their valuable comments. Cesar Zucco graciously provided some of the data used in this paper. Funding for aspects of this research was provided by a National Science Foundation Dissertation Improvement Grant, a Fulbright-Hays research grant, and from Leitner and Tinker grants and the Fox Fellowship at Yale University. Of course, any mistakes are the author's. Final revision accepted: August 29, 2011.

program's conditions probably explain cases where fewer families receive support than are eligible. While it is less clear why the federal government sometimes distributes money to more families than it deems eligible, political criteria are unable to explain where this occurs or the variation in the overall level of coverage.

I proceed by describing the *Bolsa Família* program, place it in the context of previous programs, and mention the domestic controversy that the program has fostered. In the subsequent section, I identify strategies that could be used if *Bolsa Família* were employed in a quid pro quo for votes. I then present my data and methods and discuss the results. I conclude with some thoughts about how it came to pass that, in a country generally characterized by pork and clientelist politics, such a large, universal program was successfully established.

2. THE *BOLSA FAMÍLIA* PROGRAM

Bolsa Família provides direct monetary transfers to families that meet specific conditions. Recipients must fall under an income threshold, and their children must maintain high attendance in school and regular medical examinations. By providing families with an incentive to invest in human capital, this program seeks to mitigate the intergenerational transfer of poverty. In this section, I detail the historical antecedents and development of the program. I emphasize the sharing of administrative responsibilities across different levels of government, which distinguishes *Bolsa Família* from the management of similar programs in other countries, like *Progres*a and *Oportunidades* in Mexico (de la O, 2011; Diaz-Cayeros et al., 2008). Still, *Bolsa Família* is generally perceived as a federal benefit.

(a) *Earlier programs*

Brazilian politicians have provided antipoverty relief to their poor constituents long before the advent of CCT programs. However, prior programs generally took the form of personalistic favors, where voters traded political support for discrete goods such as concrete, *Cestas Básicas* (a month's supply of food), or even money (Gay, 1994, author's interviews⁴). In a classic example, voters received one half of a pair of *havaianas* (sandals) prior to an election and the other half if the candidate won. As Mainwaring explains, "institutional rules of the game have given [Brazilian] politicians incentives to cultivate a personalistic relationship with the electorate (10)" that often involves a clientelist exchange. Brazil's institutional rules remain unaltered, and many of the practices that Mainwaring referred to continue apace. For example, the governor of Paraíba was removed from office in 2007 upon being found guilty for distributing R\$3.5 million to over 35,000 people (Eboli & Jungblut, 2008). What most Brazilians found remarkable was not that he had engaged in vote buying, but that he had suffered consequences for doing so.

This history of clientelist politics highlights the shift in Brazilian social policy that CCT programs potentially represent. *Bolsa Família* is a refinement and expansion of prior CCT programs (Weissheimer, 2006). Brazil's first CCT program began in 1995, when the government of Brasília began paying stipends to families that earned less than half of the minimum wage and had children between the age of 7 and 14 (Suplicy, 2002). A concurrent program in the city of Campinas also guaranteed residents a minimum income.

At the federal level, the first CCT program was the *Programa de Erradicação do Trabalho Infantil* (Program to

Eradicate Child Labor), which began in 1996. By 1997, interest in CCT programs had increased substantially, and the national legislature authorized the federal government to cover up to 50% of the costs of conditional cash transfer programs at the municipal level (Weissheimer, 2006). In 2001, a law supported by then president Fernando Henrique Cardoso led to the establishment of *Bolsa Escola*, an important precursor to *Bolsa Família*. *Bolsa Escola* was a nationwide CCT program that promoted school attendance. As would later be the case for *Bolsa Família*, municipal governments managed the local administration of the program while the federal government worked with the *Caixa Econômica Federal* (National Savings Bank) to provide families with debit cards upon which the stipends would be credited.

(b) *Bolsa Família established*

When he assumed office in 2003, President Lula inherited multiple CCT programs, each of which used distinct criteria for selection. Lula unified these programs into a single entity with its own criteria and register of beneficiaries. He also increased the value of the stipend. The resulting program was named *Bolsa Família*. This transformation required a prodigious effort: in 2003, 5 million families received up to R\$45 from the largest preexisting program, *Bolsa Escola* (Weissheimer, 2006). By the end of 2004, 11.1 million families received as much as R\$107 through *Bolsa Família*.

The rapid transformation and expansion of CCTs lead to problems in implementation. Limited oversight was in place during the initial phase, and it may be the case that the federal government prioritized reaching the targeted number of families over ensuring that all recipients met the income criteria. It seems that some municipalities' speed at enrolling families allowed them to acquire more beneficiaries than established by their quota. Respondents to my interviews sometimes mentioned cases of ineligible individuals receiving the stipend, but they generally referred to this as occurring during the program's early years. Local politicians regularly stated that subverting the program would be risky as they would be thrown out of office if caught.⁵ They also claimed that Lula received all of the credit for the program, thus limiting the potential reward for interfering in the program's distribution (see also Hunter & Sugiyama, 2010).

Upon reaching the target of 11.1 million families in 2004, the *Ministério de Desenvolvimento Social* (Ministry of Social Development, or MDS), which administers *Bolsa Família*, began tackling the inconsistencies brought about by the rapid rollout of the program. For example, municipal governments sometimes failed to register eligible families. In one state, Amapá, only half of the eligible families were registered. MDS also implemented procedures to address irregularities in the program. By June 2006, duplications and changes in a family's income had caused the MDS to rescind payment to 560,000 recipients. Currently, practically all recipients of CCT programs are registered in the *Cadastro Único*, and over 12 million families in all of the country's municipalities receive support.

(c) *Shared management: the functioning of Bolsa Família*

Prior to distributing stipends, the MDS divides families into categories: those in poverty, with *per capita* monthly income under R\$140, and those in extreme poverty, with income under R\$70. A family's stipend depends on its income and the number of children in the family. Families receive a monthly stipend of between R\$22 and R\$200.⁶

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