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Working Paper number 77 January, 2011

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United Nations Development Programme

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The International Policy Centre for Inclusive Growth is jointly supported by the Poverty Practice, Bureau for Development Policy, UNDP and the Government of Brazil.

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Print ISSN: 1812-108X

BOLSA FAMÍLIA AND THE CITIZEN'S BASIC INCOME: A MISSTEP?¹

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ABSTRACT

This paper discusses the link between *Bolsa Família*, Brazil's largest direct income-transfer programme, and the citizen's basic income as established in Brazilian legislation. Although these two initiatives were created by law almost simultaneously, the relationship between them does not seem to be unequivocally or even sequentially understood. On the basis of a historical review of their origins, a discussion of their main characteristics, and a survey of bills introduced in Congress on the subject, the paper argues that, despite some commonalities, there are many real and symbolic differences between the formats of conditional cash transfers (CCTs) and basic income. Moreover, legislative proposals submitted to date do not indicate any move towards convergence between the two in Brazil. They represent two different models that coexist within the country's legal framework, without effective transitional mechanisms to ensure the actual implementation of the citizen's basic income law.

1 INTRODUCTION

There is no automatic link between *Bolsa Família*, Brazil's largest direct income-transfer programme in terms of the number of beneficiaries, and the citizen's basic income as established in Brazilian legislation. From a legal standpoint the two initiatives were created nearly simultaneously and, according to certain policy entrepreneurs (Kingdon, 2003), *Bolsa Família* was to be the first step towards implementation of a basic income (see, for example, Suplicy, 2006). It is not by chance that the agency created to manage the programme at the Ministry of Social Development and Fight against Hunger was called the National Secretariat of Citizenship Income. Nonetheless, there are significant differences in the design of the two initiatives, which have different backdrops and historical trajectories that do not necessarily converge.²

Even in the Brazilian Congress, where *Bolsa Família* and the basic income bill were discussed and approved, the relationship between them does not seem to be unequivocally or even sequentially understood. Since *Bolsa Família* was regulated through a law in 2004, members of Congress have proposed several bills to make changes to the programme. Some of these proposals have already been rejected, but most of them are still under consideration by the Chamber of Deputies or the Federal Senate.

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The aim of this paper is to revisit the origins of the citizen's basic income and *Bolsa Família*, and to contrast the two initiatives. Additionally, we identify the legislative proposals that parliamentarians have presented on *Bolsa Família* in order to discuss the extent to which they signal some convergence between the current model of conditional cash transfers (CCTs) and the proposal for a citizen's basic income. The focus herein is on the viewpoint of the legislative branch. In line with the procedures inherent to representative democratic regimes, Congress is the privileged locus for political and ideological disputes such as the ones surrounding these issues.

2 ORIGINS OF *BOLSA FAMÍLIA* AND THE CITIZEN'S BASIC INCOME: A BRIEF HISTORICAL REVIEW

Discussion of a minimum income in Brazil date back to the 1970s, but it was only in 1991, in the context of the social rights guaranteed by the 1988 constitution, that the issue was put on the agenda. The matter was presented through a bill sponsored by then-opposition Senator Eduardo Suplicy of São Paulo state, the first senator elected for the Workers' Party (*Partido dos Trabalhadores*, PT) (Fonseca, 2001). The bill sought to create a negative income tax in the form of a supplementary income for every person over the age of 25 whose gross monthly income fell below a certain threshold, which at the time was equivalent to about 2.5 times the country's minimum wage. The bill further stated that the programme could cost no more than 3.5 per cent of GDP and that its funding would replace other "compensatory policies" carried out by traditional social-assistance organizations.

Senator Suplicy's bill, approved by the Senate in December 1991, stipulated gradual implementation over eight years, starting with citizens over the age of 60. This version, fully outlined in a substitute bill by Senator Mauricio Correa, then-leader of the leftist Democratic Labour Party (*Partido Democrático Trabalhista*, PDT), was viewed favourably by all political parties: none of the 81 senators voted against it and only four abstained. It was then sent to the Chamber of Deputies, where it was never submitted to a vote (Suplicy, 2006).

Nevertheless, the so-called "income security", as a new focus for poverty-reduction strategies in Brazil (Jaccoud et al., 2008), came to follow a different direction.³ On the one hand, from the mid-1990s onwards, the Continuous Cash Benefit (*Benefício de Prestação Continuada*, BPC) provided for in the 1988 constitution began to be implemented. This is a monthly benefit for extreme poor elderly and disabled individuals who are unable to work and lead independent lives. On the other hand, academic⁴ and political circles began discussing the idea of tying the minimum-income proposal to education-related requirements for the children of beneficiary families, as a way of linking a short-term offset policy (the income transfer per se) with long-term structural objectives (breaking the vicious cycle of intergenerational poverty by increasing the human capital of future generations). This format later served as a reference for Brazil's first CCT programmes, which were initially set up by local governments in the Federal District and in the municipalities of Campinas and Ribeirão Preto in 1995.⁵ These pioneering experiments were implemented by governments under both the PT, in the Federal District and Ribeirão Preto, and the Brazilian Social Democracy Party (*Partido da Social Democracia Brasileira*, PSDB) in Campinas.⁶ Later, they were widely discussed and disseminated throughout the country, serving as the inspiration for other initiatives implemented by state and local governments of different political parties.

The issue gained momentum in the legislature. Between 1995 and 1996, new bills were introduced in Congress to establish cash transfer programmes nationwide. These were always linked to educational conditionalities but were based on different social-protection paradigms and presented by representatives of various positions on the political spectrum.⁷

In 1997, the minimum-income proposal became a government project with the creation of the Education-Related Minimum Income Guarantee Programme (*Programa de Garantia de Renda Mínima Vinculada à Educação*, PGRM). This stemmed from the approval of a bill sponsored by Deputy Nelson Marchezan of the PSDB in São Paulo, the party of then-President Fernando Henrique Cardoso. During its consideration in the Senate, the bill was heavily amended and a substitute proposal was prepared by Senator Lúcio Alcântara (PSDB, state of Ceará), who was also from the government's support base. The PGRM, however, merely provided financial support to local, education-related, minimum-income programmes in municipalities whose tax revenues and per capita incomes were lower than their state averages. Municipalities were required to provide funds equivalent to 50 per cent of those provided by the federal government. In practice, this prevented participation by most of the municipalities for which the programme had been intended. By 1999 only about 150 municipalities had joined the initiative, in contrast to the 1,254 that had been projected for that year (Fonseca, 2001). However, in 2000, the programme sped up and reached 1,373 municipalities out of 5,564, covering 879,971 beneficiary families and 1,728,263 children aged between 7-14 years (Sposati, 2010).

In parallel, as part of social assistance, in 1996 the Child Labour Eradication Programme (*Programa de Erradicação do Trabalho Infantil*, PETI) began. This used the CCT model to tackle what the International Labour Organisation called the "worst forms of child labour"—charcoal mines, tobacco plantations, the sisal industry and others. PETI targeted a specific population group and included out-of-school-hours activities in an effort to remove children from work environments, in addition to cash benefits and school attendance conditionalities.

In 1999 Congress set up a special joint committee to "study the structural and environmental causes of social inequalities and present legislative solutions to eradicate poverty and marginalization and reduce social and regional inequalities". The committee crafted a constitutional amendment that led to the creation of the Fund for the Fight against and Eradication of Poverty. The committee's public debates and hearings were important in consolidating widespread political consensus around the idea of CCTs as the preferred policy option to combat poverty in Brazil. This consensus and the resources allocated by the Fund led to the PGRM's transformation into the national *Bolsa Escola* programme under the auspices of the Ministry of Education in 2001, and the subsequent creation of *Bolsa Alimentação*, another large-scale CCT programme related to health and nutrition under the Ministry of Health. Both were created by means of executive provisional orders.

Bolsa Escola was intended for families with children aged 6 to 15 and per capita incomes of less than half the minimum wage at the time. The benefit transfer amounted to R\$15 per child and each family could receive up to R\$45. Unlike its predecessor, its scope was not limited. As a result, *Bolsa Escola* expanded rapidly during the pre-election period, reaching 5 million families by the end of 2002.⁸ Since it sought to ensure that children would enrol and stay in school, it imposed a conditionality of 85 per cent school attendance for the family to receive the benefit.

Bolsa Alimentação began as a complementary initiative to *Bolsa Escola* in terms of maternal and infant coverage. It was targeted at families whose members included pregnant women, nursing mothers and children up to the age of six, and that had the same per capita income as the education-related programme. The benefit amount was the same. The conditionalities required recipients to participate in preventive health activities, such as compliance with children's vaccination schedules and pre-natal care. By the end of the Cardoso administration in December 2002, *Bolsa Alimentação* covered nearly 1 million families.

Similar but much smaller programmes were also created at the time, such as *Agente Jovem* for adolescents leaving PETI, and *Bolsa Renda* for family farmers in areas declared to be in a state of public emergency because of drought.

In 2001, Senator Suplicy presented a new bill in Congress to create an unconditional basic income. The proposal outlined the citizen's income as a universal and unconditional right, justifying it as more advantageous for the poor than the negative income tax he had proposed earlier. According to the bill, the benefits of a universal basic income over a targeted minimum income would be threefold: (i) greater coverage, by avoiding the exclusion errors inherent in any targeting system; (ii) the absence of any kind of stigma attaching itself to beneficiaries or state intrusiveness in means testing; and (iii) the absence of work disincentives that could stem from income-based targeting. Given the innovations the bill proposed for Brazil's social-protection framework, it provided for a referendum to be held in 2004, whereby the idea of a citizen's income would be submitted to the general population.

In late 2002, after the election of President Lula of the PT, who was to take office in January 2003, a proposed substitute bill was unanimously approved by the Senate's Economic Affairs Committee. The text was drafted by Minas Gerais Senator Francelino Pereira of the former Liberal Front Party (*Partido da Frente Liberal*, PFL), which was loyal to the Cardoso administration. This version sought to adapt the bill to the stipulations of the Fiscal Responsibility Act, specifying that basic income coverage would be achieved in stages and that priority would be accorded to the neediest. Moreover, the new text removed the referendum requirement, arguing that there would be no opposition to legislation from which everyone would benefit equally. In 2003, the bill proceeded through the Chamber of Deputies. There it was approved in full, though not unanimously, by the Committee on Finance and Taxation (CFT) and the Committee on the Constitution, Justice and Citizenship (CCJ), on the basis of reports drawn up by Deputies Paulo Bernardo and Colombo of the PT (state of Paraná).⁹

Under the Lula administration in 2003, another cash transfer programme was set up, again by means of an executive provisional order later signed into law. This was the National Access to Food Programme (*Programa Nacional de Acesso à Alimentação* or *Cartão Alimentação*). It was a central part of Zero Hunger strategy that was to become the core of the new administration's social policy under the coordination of an agency specifically created for that purpose: the Ministry of Food Security and Fight against Hunger. Unlike previous cash transfer programmes, this one specified a maximum initial period for receiving the benefits—six months, which could be extended for two further six-month periods—and it gave priority to those poor areas and population groups that were vulnerable to food insecurity. At the time, consideration was given to creating a food stamps programme similar to that in the United States, since Zero Hunger's main focus was the right to food, not to income (Instituto Cidadania, 2001). But the cash transfer model, either basic income or conditional transfer,

was already dominant in academic and political circles. This hegemony was sustained by claims that it would be more efficient and have lower transaction costs. As a result, there was barely any room for a different kind of programme.

By the end of 2003 there were many overlapping cash transfer programmes with different benefits and similar target populations, causing duplication of efforts and managerial confusion. Cotta (2009) argues that the diagnosis of the fragmentation of cash transfer programmes under Cardoso was already present in the PT's government programme. After Lula's election, therefore, the government transition team had already recommended that the initiatives be unified. But the strength of the *Bolsa Escola* brand among different stakeholders prevented the programme's disappearance at the time that President Lula bet heavily on Zero Hunger. Hence it was only after Lula's first year in office, in the face of a barrage of criticism about Zero Hunger and its meagre practical results, that the various cash transfer initiatives were united¹⁰ with the creation of the *Bolsa Família* programme. This too was established by means of an executive order, and was signed into ordinary law in January 2004, just one day after presidential approval of the citizen's basic income law.

Under the basic income law, all Brazilian citizens and foreigners living in the country for at least five years, regardless of their socioeconomic status, have the right to receive an annual cash benefit whose amount must be the same for everyone and must be enough to meet the minimum individual expenditures on food, education and healthcare. Despite its universal scope, basic income was to be implemented gradually, starting in 2005, at the discretion of the executive branch, priority being given to the neediest. Moreover, the benefit amount should take account of Brazil's development stage and its budgetary capacity.

In turn, *Bolsa Família*, as stated in the act that created it, provides "conditional cash transfers" comprising two benefits: a basic benefit for extremely poor families, regardless of their demographic profile; and a variable benefit for poor families, the amount of which depends on the number of children, adolescents, and pregnant and lactating women in the household.¹¹

Though the legislation that created *Bolsa Família* does not make a direct reference to basic income, the programme has expanded rapidly since 2004 and has become a cornerstone of the federal government's anti-poverty agenda. By 2009, it covered 12.4 million households and had a budget of about R\$11.2 billion—about 0.35 per cent of GDP and 0.9 per cent of total public spending.

3 CONTRASTING *BOLSA FAMÍLIA* AND THE CITIZEN'S BASIC INCOME

Despite their nearly simultaneous creation, there are several differences between *Bolsa Família* and the citizen's basic income. First, in contrast to the universal nature of basic income, *Bolsa Família* is a targeted programme. It targets the poor and the extremely poor, defined as those with a per capita income of less than R\$140 and R\$70, respectively, in today's figures. Although the structure of income distribution in Brazil is such that this targeting reaches an enormous share of the population, and that the programme has been moving towards a more flexible definition of its target group, the possibility of making *Bolsa Família's* coverage universal (disregarding socioeconomic status) does not seem to be under consideration. The two most important changes of recent years relate to the adoption of the concept of vulnerability to poverty (transient poverty), which takes into account the high income volatility among those

living in poverty. This led to the guarantee of a minimum two year-period in the programme for each family, regardless of what happens to its per capita income; and to an increase in the total number of beneficiaries, which (even in a context of poverty reduction) rose from 11 million to 12.9 million households.

In fact, universal and unconditional characteristics do not seem to be on the agenda of *Bolsa Família*. On the contrary, the programme experienced a severe crisis, especially during its initial period, triggered by several complaints of leakage that made newspaper headlines (Britto, 2008). The response to such criticisms was an improvement in targeting and registration mechanisms, based on routine updates and data-consistency checks.

Another salient difference in the very definition of the target population is the reference unit. While the basic income law speaks of “individuals”, *Bolsa Família* includes “families”. This difference in focus, present in previous federal and local CCTs, entails the preponderance of family-related solidarity in securing livelihoods, and not the individual right to income as a citizenship demand (Fonseca, 2001).¹²

Furthermore, although *Bolsa Família* contains the unconditional “basic benefit” for a subset of its target population (extremely poor families), it includes conditionalities that must be met by most beneficiaries. These are related to investments in human capital, such as school attendance by children and adolescents, complying with children’s immunization schedules, prenatal care for pregnant women and health monitoring for children under five.

The public debate on *Bolsa Família*—which, as a major government programme, has much greater visibility than the citizen’s basic income—also suggests significant contrasts between the two models of income transfer.

The emphasis on the concept of beneficiary co-responsibilities, for example, occupies quite some space in headlines and editorials about *Bolsa Família*. In 2004, when the programme began a period of accelerated coverage expansion so as to reach 11.2 million households by the end of Lula’s first term, monitoring compliance with conditionalities did not seem to be a priority for federal managers. But this view was not shared by the press and the general public. When news broke about the absence of conditionality control, critics from the right and the left united to accuse the government of turning a truly innovative programme (*Bolsa Escola*) into a paternalistic and old-fashioned version of social assistance (Britto, 2008). According to these critics, without the monitoring of conditionalities, *Bolsa Família* was simply “giving the fish away”, without “teaching the man to fish for himself”, in that it failed to provide incentives for beneficiaries to invest in the education and health of children, pushing the long-term goals of this type of initiative into the background.

This led to a change in the programme’s focus (and even to its managerial team), resulting in the establishment of a system to monitor conditionalities involving federal and local governments. Moreover, a detailed protocol was outlined, including alerts and sanctions to be applied to families in the event of non-compliance with programme conditionalities.

Although the rationale behind the conditionalities is concerned with preventing future poverty by improving human capital among the poor, the long-term goals of CCTs, the need for and the actual impact of these measures are controversial.¹³ The conditionalities attached to the cash transfer are not necessarily based on objective cost-benefit analyses. In fact, they are related to political views that permeate the very design of *Bolsa Família*. In a sense, conditionalities are equivalent to making a living by the “sweat of one’s brow,” a symbolism

required to secure support for the programme from those who believe that no one should receive a transfer from the state, especially the poor, without offering something in return (Medeiros et al., 2007).

In the very process of crafting the regulations on the monitoring of conditionalities, one of the challenges faced by programme managers was to build some level of consensus on the issue. As Campos Filho (2007) indicates, despite media criticism, many relevant stakeholders opposed the federal government's creation of conditionality-control mechanisms. Among them were not only the proponents of the citizen's basic income but also stakeholders linked to the National Council on Food Security (CONSEA), who considered it inappropriate, from a normative viewpoint, to place conditions on the guarantee of the right to food enabled by cash transfers. Other stakeholders considered that health and education policies should not set apart *Bolsa Família* beneficiaries because of the constitutional principle of universalism. Others believed the programme's strategy was mistaken, since the coverage of basic education was already almost universal and the enrolment and attendance requirements applied to the entire population, not only *Bolsa Família* beneficiaries. According to this view, the main issue to be tackled was the poor quality of education, not access to school or school attendance. Finally, some municipal health and education managers alleged that the extra work involved in monitoring conditionalities would go beyond their regular duties, thus requiring additional funding.

Nevertheless, and quite ingeniously, in the regulations adopted in 2005 *Bolsa Família* managers reconciled all these different positions and turned the conditionality requirements into a mechanism for identifying and providing support to the most vulnerable and excluded families. According to Cunha (2008), the concept of conditionality as adopted by *Bolsa Família* can be understood as a sort of "contract" between families and the government, with three types of complementary responsibilities. The first is the family's responsibility to ensure school attendance and health monitoring. The second is the state's commitment to satisfying the universal rights to education and healthcare, and to ensuring access to them. The third matter concerns the monitoring of conditionalities: the idea is not to take a punitive approach that leads to the suspension of benefits (the last step in a long list of warnings and temporary suspensions), but to identify possible causes of non-compliance and thus target and give priority to those families through welfare services.

The debate over "exit doors" from the programme, in turn, does not seem to support the idea that *Bolsa Família* might be moving towards a citizen's basic income scheme. There is no doubt about the importance of promoting strategies to include beneficiaries into the labour market in a sustainable way, and about the need to heighten coordination between *Bolsa Família* and education, vocational training, employment, and income-generation policies. But the rationale behind the citizen's income would require, rather, a reflection about expanding "entrance doors" in order to cover increasingly larger segments of the population, not just "circulate" a certain number of poor people within a relatively fixed coverage level (Soares and Satyro, 2009).

As regards the agenda and priority objectives, Cotta (2009) argues that, at the start of the programme between 2003 and 2004, the concept of *Bolsa Família* as a step towards the citizen's basic income coexisted with a vision that prioritized its human-development goals. Since 2005, however, after the aforementioned crisis of legitimacy in public opinion set off by a bombardment of media criticism, the programme's managerial team has changed and it has undergone various reforms, and the paradigm of cash transfers as a human-development

policy has become dominant. Recently, *Bolsa Família* began to foster a closer relationship with the most traditional offshoot of social assistance through initiatives to integrate cash transfers and social-assistance activities, along the lines of similar CCTs elsewhere in Latin America, particularly, in Chile through the component *Puente* of the *Chile Solidario* programme.

Given these internal fluctuations among the programme's multiple objectives, acknowledging that *Bolsa Família* is the first step in the gradual implementation of the citizen's basic income law is an idea that does not seem to enjoy consensus.

4 BILLS ON *BOLSA FAMÍLIA* PRESENTED BY MEMBERS OF CONGRESS

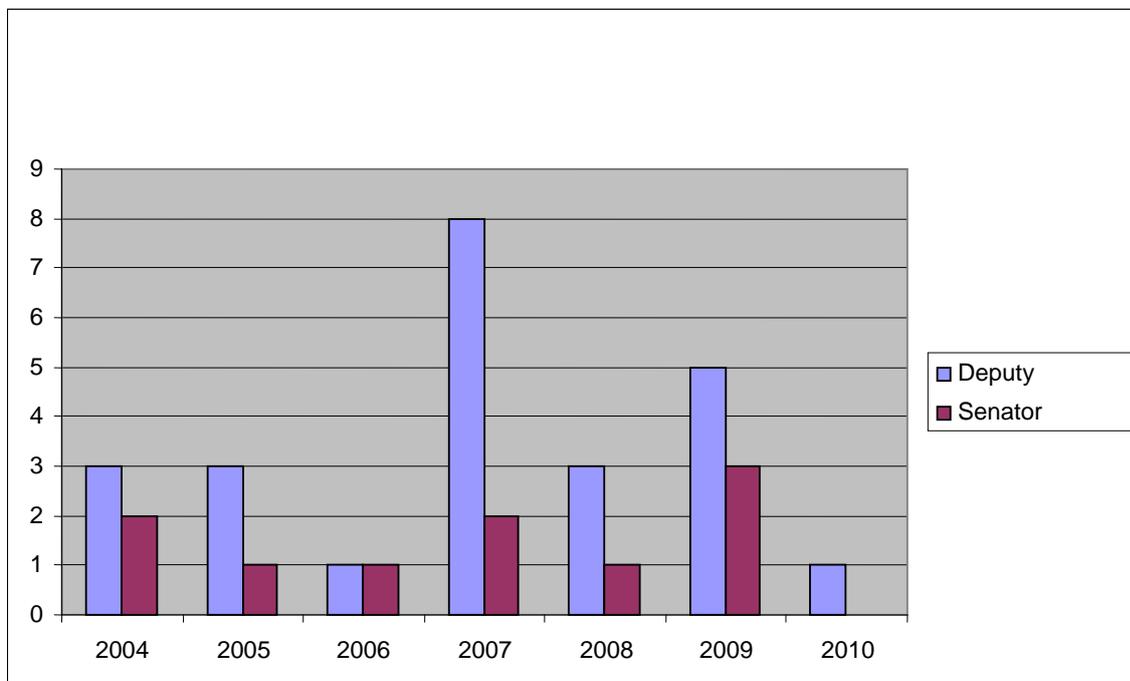
Is it possible to assess the future of *Bolsa Família* on the basis of the current legislative proposals that aim to modify it? To what extent do these proposals address the main criticisms levelled at the programme? Do they move it any closer to the idea of a citizen's basic income?

Through a survey of congressional databases, we identified 34 bills introduced by senators or deputies between 2004 (when *Bolsa Família* was signed into law) and March 2010 that directly affect the programme.¹⁴ Eight of these have already been rejected, and 26 are still under analysis in one of the two chambers of the National Congress.

Most bills, especially those proposed by deputies, were introduced as of 2007, when Lula's second term and the fifty-third legislature (2007–2011) began. Only 11 of the 34 bills were submitted before then. The following figure shows the distribution of bills by year and sponsor (federal deputy or senator).

FIGURE 1

Bills on *Bolsa Família*, by Type of Sponsor, 2004–2010



Source: Chamber of Deputies and Federal Senate databases.

This temporal distribution seems to be related to the programme's visibility, which grew as coverage expanded and eventually gave it a central position during the 2006 presidential campaign. Another factor that might help explain the phenomenon is the seasonality of parliamentary activities. At the start of a new legislature there is usually a large number of new bills because of the arrival of new lawmakers in Congress, as well as new ideas from campaign proposals and promises made by re-elected parliamentarians.

The origins of the 34 bills on *Bolsa Família* are quite diverse: they were sponsored by 30 parliamentarians from 12 political parties and 16 different states, including politicians from the governing party and its coalition, as well as the opposition.¹⁵ The following tables show the number of bills by political party and state.

TABLE 1

Legislative Bills on *Bolsa Família*, by Sponsor's Political Party,¹⁶ 2004–2010

| Political Party | Bills |
|---|-------|
| DEM (former PFL), Democrats/Liberal Front Party ^(a) | 4 |
| PDT, Democratic Labour Party ^(b) | 7 |
| PMDB, Brazilian Democratic Movement Party ^{(a) (b)} | 3 |
| PP, Progressive Party ^(b) | 2 |
| PPS, Popular Socialist Party ^(b) | 1 |
| PR, Party of the Republic (includes former PL–Liberal Party) ^(b) | 2 |
| PRB, Brazilian Republican Party ^(b) | 1 |
| PSB, Brazilian Socialist Party ^(b) | 3 |
| PSDB, Brazilian Social Democracy Party | 4 |
| PT, Workers' Party | 3 |
| PTB, Brazilian Labour Party ^{(a) (b)} | 3 |
| PV, Green Party ^(b) | 1 |

Source: Chamber of Deputies and Federal Senate databases.

Notes: (i) we considered the sponsor's affiliation at the time the bill was submitted;
(ii) the same sponsor was counted more than once when a parliamentarian introduced more than one bill.

^(a) participated at some point in Cardoso's governing coalition (Cheibub, 2007).

^(b) participated at some point in Lula's governing coalition (Cheibub, 2007).

Although *Bolsa Família* still faces some opposition among political extremists and the mainstream media, cash transfer programmes in their broadest sense seem to pervade the programmatic agendas of different political parties across the ideological continuum. Lobato (1998: 14) points out that the initial design of the minimum income bill sponsored by Senator Eduardo Suplicy in 1991 explored just such a situation, being presented as "one of the few points of consensus between the left and the right".

The programme's paternity is disputed between the PT and the PSDB, a circumstance that confirms its popularity and the electoral appeal it seems to have. As well as indicating that there may be a minimum common denominator with regard to social protection across different ideological and partisan viewpoints, convergence around the programme is consistent with the logic that governs political behaviour. According to this rationale, opposing such a broad and comprehensive programme could mean the loss of millions of votes and amount to a true electoral suicide.

TABLE 2

Legislative Bills on *Bolsa Família*, by Sponsor's State, 2004–2010

| State | Bills |
|--------------------|-------|
| Acre | 1 |
| Amazonas | 1 |
| Bahia | 4 |
| Ceará | 2 |
| Distrito Federal | 2 |
| Espírito Santo | 2 |
| Minas Gerais | 3 |
| Mato Grosso do Sul | 3 |
| Paraíba | 4 |
| Pernambuco | 1 |
| Paraná | 1 |
| Rio de Janeiro | 2 |
| Roraima | 2 |
| Rio Grande do Sul | 2 |
| Sergipe | 1 |
| São Paulo | 3 |

Source: Chamber of Deputies and Federal Senate databases.

Note: The same sponsor was counted more than once when a parliamentarian introduced more than one bill.

This near unanimity on cash transfer programmes, however, brings with it very different perspectives in terms of value systems and representations of poverty and social protection mechanisms, as evidenced by the debate on the need to control conditionalities. Hence, even though the CCT model as adopted by *Bolsa Família* seems to be the basic operational model for fighting poverty among people with different political and ideological views, the discourse that justifies the model and the criticism it faces are based on worldviews marked by traditional dichotomies, such as “work versus welfare”, “universalism versus targeting”, “benefit versus right”, “human capital versus income security,” “individual versus family”, “autonomy versus paternalism”, “citizenship versus clientelism/patronage.”

The 34 bills on *Bolsa Família* introduced in the Brazilian National Congress are no exceptions to this rule. Everyone agrees that the programme is a positive initiative, but they try to change many of its characteristics on the grounds of improving it. Generally speaking, these bills can be classified into a typology that encompasses the following six broad categories.

4.1 BILLS ON THE BENEFIT AMOUNTS

There are seven bills in this category: in the Senate, PLS 244/2004 and PLS 262/2006; in the Chamber, PL 6190/2005, 2637/2007, 3520/2008, 4348/2008 and 6881/2010.

Of these, only PL 6190, introduced in 2005, has been already shelved. The other six are still under analysis, although the committee reports on the matter in the Chamber of Deputies point towards their rejection.

The central concern of these bills is to maintain, and even increase, the real amount of *Bolsa Família* benefits. Additionally, two of them are designed to ensure that the income criteria used to target poor or extremely poor families remain updated, so as to prevent the erosion of beneficiaries' purchasing power and a reduction in the programme's potential coverage as a result of the devaluation of the poverty lines that determine family eligibility. Proposed indexation criteria vary among the official inflation rate, change in GDP, and the annual indexation rate granted to general pensions.

It is worth noting that the concerns that motivated these bills have already been dealt with through presidential decrees: both the amount of benefits and programme-eligibility thresholds have been increased more than once since 2004. These increases, however, have been guided by discretionary criteria and budgetary availability within the executive branch, not by transparent and negotiated criteria.

One of the bills in this group has a very specific purpose: it seeks to increase the amount received by rural families who face high transport costs to withdraw *Bolsa Família* benefits. This is an attempt to cover specific transaction costs that are inherent to the inner workings of the programme, not simply an attempt to ensure the purchasing power of beneficiaries.

Finally, two other proposals sponsored by the same parliamentarian, Senator Efraim Morais, in marked opposition to the Lula administration, seem to be an attempt to move *Bolsa Família* closer to the usual mechanics of social security benefits. If approved, they would have a significant budgetary impact. They seek to establish a floor for benefits at the equivalent of half the minimum wage (which today is more than the programme's maximum benefit), and to introduce a thirteenth benefit at the end of the year similar to that provided for in the Brazilian labour law.

None of these bills mention the issue of the citizen's basic income and the parameter used in its legislation to set the value of the benefit ("enough to cover minimum expenses on food, housing, education and health").

4.2 BILLS ON CONDITIONALITIES

Eight bills are concerned with adding new conditionalities to the *Bolsa Família* programme. They are PLS 247/2009 and 449/2007 in the Senate; and PL 6312/2009, 5691/2009, 1839/2007, 1496/2007, 7694/2006 and 44/2007 in the Chamber of Deputies.

Two of the new conditionalities proposed would be tied explicitly to additional benefits to be created: an extra benefit linked to students' academic performance; and a benefit linked to participation in literacy programmes for youths and adults in the case of families with illiterate members.

Another bill proposes participation in literacy programmes for youths and adults as a new conditionality, but without any additional benefit. There are proposals that require parental involvement in school meetings as an additional programme conditionality, as well as parental involvement in programmes geared towards integral childhood development.

The three other bills seek to add to the list of conditionalities required to receive benefits: preventive gynaecological exams for women (an unusual reading of the programme's gender bias); participation in family planning programmes; and involvement in volunteer activities by members of the beneficiary families.

To some extent, the issue of merit permeates all of these bills. To receive *Bolsa Família*, families—and especially women, who are the official benefit holders—would have to “do their part”. Some of the proposals are inspired by the synergies that can be generated by combining benefits and conditionalities tied to schooling, but the burden they might impose on the time and resources of the beneficiaries themselves is not considered. That is not to mention the degree of intrusiveness associated with some of the requirements and the unusual idea of conditioning the receipt of a benefit on performance of a volunteer activity which, by its very nature, should be voluntary.

In this category, too, none of the bills suggests that *Bolsa Família* benefits are a right per se, one linked to the very notion of citizenship, in the manner prescribed by the basic income law.

4.3 BILLS ON WORK INCENTIVES

A theme dear to the programme is its coordination with other programmes and policies that may sustainably contribute to improving the living conditions of beneficiaries or, in the CCT jargon, lead to the “emancipation” or “graduation” of families. Labour-market participation is one of the central points in this discussion, often geared to the pursuit of the elusive “exit doors” from *Bolsa Família*. In this respect, the discourse of emancipatory social policy and the intrinsic value of labour interferes with a vision that gives primacy to the ideology of individual efforts and sees state income transfers, regardless of amounts, as a permanent source of accommodation and dependency.

There are four bills directly related to this discussion: PLS 433/2008 in the Senate, and PL 3546/2004, 2194/2007 and 6021/2009 in the Chamber.

The Senate bill offers tax incentives to employers who hire *Bolsa Família* beneficiaries, giving priority to those beneficiaries in government-led professional training and social-inclusion programmes. Curiously, it seems that the tax incentive burden would affect the beneficiaries, since the bill states that their benefits would be suspended while they were employed. By this logic, the programme should only include beneficiaries who lack another source of formal income.

Tax incentives to hire *Bolsa Família* beneficiaries can also be found in a bill in the Chamber, which contemplates the inclusion of a new conditionality related to the participation of at least one member of each beneficiary family in professional training programmes. In this respect, it is important to note that, although not in the form of conditionalities, there is already a federal initiative geared to facilitating the participation of adult *Bolsa Família* beneficiaries in vocational training courses in the fields of construction and tourism, particularly in capitals and metropolitan areas. The results of this experience, entitled “Next Step” (*Próximo Passo*), can help assess the feasibility of proposals of this nature.

The other two bills aim to increase the “employability” of two subsets of *Bolsa Família* beneficiaries: young people and women. In this sense, one of the bills (already shelved) sought to link the programme with another policy geared to facilitating the labour-market insertion of people aged 16 to 24 from poor families.¹⁷ The other bill, which is still under analysis, aims to outline a new national programme for productive inclusion, targeting female beneficiaries of *Bolsa Família* and involving training courses and the payment of a benefit equivalent to the minimum wage instead of the regular programme benefits for twelve months.

The common motivation behind this group of bills is to establish mechanisms to promote income generation among, and the productive inclusion of, the country's poorest families. None of them refers to the possibility that the *Bolsa Família* benefit may come to be a permanent basic income, regardless of the beneficiaries' socioeconomic status and their actual participation in the labour market, as provided for by the citizen's income law.

4.4 BILLS ON COVERAGE EXPANSION

There are eight bills in this category: PLS 246/2004 and 504/2009 in the Senate; and PL 6509/2009, 1685/2007, 1579/2007, 1496/2007,¹⁸ 1130/2007 and 6331/2005 in the Chamber of Deputies. With the exception of the first and last of these, all were proposed from 2007 onwards, when *Bolsa Família* was already established as a central plank of the government's social policy and its positive results were widely disseminated.

Three of the bills that sought to bring new segments of the Brazilian population into the programme's target group have already been shelved. One of them aspired to include family caregivers of patients with disabling diseases or disabilities as recipients of a particular benefit. Another sought to include tuberculosis patients as programme beneficiaries. The last one aimed to raise to 18 the age until which children are eligible for the variable benefit. This latter proposal was incorporated into *Bolsa Família* by the executive branch in 2008.¹⁹

Other bills, still under analysis, seek to extend *Bolsa Família* benefits, or even create additional benefits, for the following categories: families adopting "helpless" children aged 0–6 in nursing homes or shelters, as long as the per capita income of such households is up to twice the amount considered in classifying households as poor; poor families with female victims of violence, adolescent alcohol and drug addicts, or children and adolescents who are victims of sexual abuse and exploitation; orphaned children and teenagers living in shelters; pregnant adolescents in poverty or extreme poverty; and the homeless with no permanent address, regardless of any connection to institutions or the like. Members of the latter group are already part of the programme's agenda and have been gradually included as recipients—although, for operational reasons, care institutions serve as an entryway for homeless people to access *Bolsa Família*.

The common feature of all these initiatives is that they seek to expand the programme's coverage criteria, using targeting strategies that prioritize certain population subgroups.

At first glance, one could argue that bills seeking to expand *Bolsa Família* coverage converge with the idea of a citizen's basic income. After all, in a sense they respond to the clause that stipulates the gradual implementation of the basic income "with priority given to the neediest segments of the population." Roughly speaking, however, the reasons for these bills tend towards an anachronistic vision of the programme, wherein it is not a right but a compensatory policy for adverse situations that call for some form of special social protection. As such, these are specific proposals of changes to the targeting criteria, not programme expansions aimed at achieving universality.

4.5 BILLS ON SOCIAL OVERSIGHT AND POLITICAL SHIELDING MECHANISMS

Five bills proposed managerial measures related to transparency, social oversight and political shielding of the *Bolsa Família* programme: in the Senate, PLS 22/2007 and 17/2005; in the Chamber, PL 5325/2009, 4268/2004 and 3619/2004.

The central concern shared by these initiatives has to do with the possible clientelist and political use of the programme, especially in the targeting and selection of beneficiaries. They are also informed by the electoral dividends that can spring from the benefits, as well as suspicions about fraud and the improper use of *Bolsa Família* by local officials involved in its implementation.

The oldest such bill, dating back to May 2004, sought to put *Bolsa Família*'s supervision under a local committee established by the government. This committee would even be responsible for including and excluding beneficiaries until the social-oversight mechanisms provided for by the programme's law were regulated and became fully operational. This proposal, in fact, was the revival of a participatory management model that had been used with *Cartão Alimentação*, the flagship cash transfer programme of the Zero Hunger strategy that had been incorporated into *Bolsa Família*. The proposal was withdrawn by the sponsor himself in 2005, even though it had been approved by the first committee that reported on it.

The other 2004 bill was introduced at the height of the crisis faced by the programme during its first year of implementation, when anecdotal evidence of targeting errors and fraud abounded across the country. Its goal was to regulate the regular disclosure, in municipal city halls and major newspapers, of the list of *Bolsa Família* beneficiaries. The bill was shelved in 2008 because the programme law itself states that the list of beneficiaries should be publicly accessible.

Two other bills have the same aim as the above-mentioned: ensuring the publication of beneficiary lists at the local level. The information to be disclosed includes not only the identity of the beneficiaries and the amounts received but also, according to one of the bills, each family's record of compliance with conditionalities. One of them also requires that no new beneficiaries be included in the programme less than 180 days before elections to any level of government, in a clear attempt to prevent the possible use of the programme for electoral purposes.

Finally, the latest bill, from 2009, seeks to prohibit elected officials of any kind from being beneficiaries of cash transfer programs. It requires that, on taking office, all elected officials submit a formal statement declaring that they do not receive such benefits.

4.6 BILLS ON PROGRAMME COORDINATION WITH OTHER SOCIAL POLICIES

We found three bills in this last category, two initiated in the Chamber of Deputies (PL 5085/2005 and 3534/2008) and one in the Senate (PLS 286/2009). The Senate bill is about bringing *Bolsa Família* back to the previous nomenclature of *Bolsa Escola*, with a greater focus on the programme's educational aspects, to the detriment of the social-protection character that currently prevails. This type of proposal, in particular, seems to bypass any link between the programme and the citizen's basic income.

One of the bills in the Chamber seeks to strengthen the role of women as the programme's official recipients, and not just as the "preferred" benefit holders, which is currently the case under the law. The change appears to be more formal than practical, since the programme's positive gender bias is widely recognized and applied in its implementation.

The other Chamber bill, which has already been shelved, sought to establish "transportation social vouchers"—federal subsidies for urban transport used by programme

beneficiary families. After receiving favourable reports from two committees, the bill was rejected because of its alleged incompatibility with the Fiscal Responsibility Act and because of financial inadequacy.

The small number of projects in this category is noteworthy, since there is widespread discussion about the need to promote positive synergies between different policies in order to effectively overcome poverty and extreme poverty. In this area, the Brazilian Congress seems more fruitful in producing bills that aim to add new conditionalities to the programme or encourage the labour-market participation of its beneficiaries.

5 CONCLUSIONS

This paper has sought to discuss the relationship between *Bolsa Família* and the citizen's basic income by revisiting the historical trajectory of these initiatives in the Brazilian National Congress, by comparing their main characteristics, and by reviewing the bills sponsored by parliamentarians on the subject since 2004. We argued that, although congressional approval of the citizen's basic income was almost simultaneous to the creation of *Bolsa Família*, there is no consensus as to the programme's future development.

Though the two initiatives had common grounds in the past, especially as regards ensuring a subsistence income for the poorest, they have led to very different historical paths, precluding automatic and legitimized shifts in public opinion from one model to the other.

The comparison of the main design features of *Bolsa Família* and the citizen's basic income law reveals important distinctions related to coverage, target population, the requirement of conditionalities, and the very concepts underlying the social-protection paradigms that guide them.

In general, moreover, the 34 bills presented in Congress to make changes to *Bolsa Família* since 2004 seem to be inspired by much of the media's main criticisms of the programme rather than by any possible connection to the citizen's basic income. Indeed, none of the bills even refers to the basic income or to the possibility that *Bolsa Família* could be a first step towards its introduction.

To some extent, *Bolsa Família* has managed to embody a hybrid concept in which different and sometimes conflicting goals coexist. While this may help garner support from different political and social groups, it offers space for nuances and dissent that result in real and symbolic differences between the format of CCTs and the citizen's basic income. In reality, these are two different models that coexist in the country's legal framework, without any effective transitional mechanisms that can ensure the actual implementation of the citizen's basic income law.

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NOTES

1. An earlier version of this paper was presented at the Thirteenth International Congress of the Basic Income Earth Network (BIEN), in São Paulo, 30 June to 2 July 2010. The authors thank the comments and suggestions received from Luís Augusto Gusmão, Antonio Claret Campos Filho and Armando Barrientos as well as the participants of the 13th Congress of the Basic Income Earth Network where a previous version of this paper was presented. Any remaining mistakes or omissions are our own responsibility.
2. This perception is shared by some advocates of the basic income proposal. Lavinás (2008), for example, notes that *Bolsa Família* is not based on a rights perspective, since it is a conditional, targeted programme and thus excludes part of the poor because of targeting errors or failure to comply with conditionalities. See Bastagli (2008) for a summary of the debate on conditional transfer programmes.
3. Income security is understood as a form of social protection directed at those who lack monetary resources to ensure their livelihoods. A successor of civil-society demands presented to the 1988 constitution and the right to economic security ensured to the elderly and the disabled, income security is part of the current social-assistance policy in Brazil, together with other securities pertaining to housing; family, community and social life; the development of individual, family and social autonomy; and the right to survival relative to circumstantial risks.
4. See, for example, Camargo (1991) and Camargo (1993) in Fonseca (2001).
5. See Sabóia and Rocha (1998) on the Federal District programme and Draibe et al. (1996) on the Campinas programme. Lavinás (1998) also examines the Federal District programme.
6. PSDB was President Cardoso's party and PT was its main opposition.
7. During this period, bills were introduced on the subject by the following parliamentarians: from PT, Deputies Pedro Wilson, Chico Vigilante and Fernando Ferro; from PSDB, Deputy Nelson Marchezan and Senator José Roberto Arruda; from PMDB, Senators Ney Suassuna and Renan Calheiros.
8. General elections were held in October 2002.
9. In the CFT, Deputy Mussa Demes of the PFL voted against the bill. In the CCJ, Deputies Paulo Magalhães (PFL), Ricardo Fiuza (PP), Aloysio Nunes Ferreira (PSDB) and Zinaldo Coutinho (PSDB) voted against it.
10. *Bolsa Família* also incorporated—apart from *Bolsa Escola*, *Bolsa Alimentação* and *Cartão Alimentação—Auxílio-Gás*, an unconditional smaller cash benefit (R\$7.50, payable every two months) that had been created to replace general cooking gas subsidies. In late 2005, the programme included PETI.
11. Although the basic benefit constitutes an innovation in the country's social protection system, it is important to point out that the Mexican CCT programme *Progresas/Oportunidades* also covers families below the poverty line that do not have children, even though it attaches health/nutrition conditionalities to them. In Brazil, there is no link between the basic benefit and the health dimension of beneficiary households that do not have children between 0 and 17 years of age and/or pregnant and lactating women. Most CCTs in Latin America, however, only consider families eligible if they have children within certain age groups, according to their own menu of conditionalities (or co-responsibilities).
12. There is an important distinction to be made here between targeted programmes that are meant to reduce poverty (anti-poverty programmes) and citizenship-related programmes like Basic Income programmes which can reduce poverty but do not have it as its main objective.
13. De Brauw and Hoddinott (2008) show that *Progresas's* conditionalities in Mexico did not play an important role in increasing school attendance in primary education; it affected only the transition between primary and secondary education. Handa et al (2009) show that, at least with respect to the consumption patterns of *Progresas* households, conditionalities and the fact that transfers are paid to the mothers seem to have no effect on the consumption choices made by families, since the benefit would be spent as any other source of income. This result contrasts with Rubalcava et al. (2004), who conclude that a greater portion of the programme's benefit is spent on products related to conditionalities and mothers' preferences, such as clothes and shoes for children.
14. Detailed information on the draft bills are available upon request to the authors.
15. The Brazilian political system is characterized as "coalition presidentialism" (Abranches, 1988 in Cheibub, 2007). Since the president's party does not elect enough representatives to govern alone, it has to form government coalitions which guarantee legislative support in exchange for ministerial posts and power resources. These coalitions can be altered over the course of the president's term.
16. Brazil's biggest parties are PMDB, PT, PSDB and DEM (former PFL). Throughout Fernando Henrique Cardoso's (PSDB) two terms of government (1994–1998 and 1998–2002), as well as Lula's (PT) two terms (2002–2006 and 2006–2010), the government coalition varied and included the other bigger parties and other smaller ones at different points in time. It should be noted that there is no strict loyalty or discipline to observe party positions in Brazil. Thus the voting of some representatives might diverge from their party's orientations, giving room to independent positions or ad hoc government support or opposition in legislative action.

17. Created in 2003, this initiative was called *Primeiro Emprego* (First Job) and provided grants and economic incentives given to employers, in addition to offering professional qualification to young people. Although some of its actions were maintained, the programme was significantly changed in 2004, after successive failures related to the limited participation of the business community, limited coverage and inability to generate jobs, among others. For more on *Primeiro Emprego*, see Mesquita (2006).

18. This bill is also listed among those that seek to add new conditionalities to *Bolsa Família* as it links the benefit to participation in a family planning programme.

19. Before this change, only pregnant women, nursing mothers and children and adolescents up to the age of 15 could be recipients of the variable benefit, with a maximum of three per family.



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