Education-oriented social programs in Brazil: the impact of Bolsa Escola[1]

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Abstract

Education-oriented social programs, known as "Bolsa Escola", aim to provide poor families with children with a monetary stipend, so as to enable and stimulate them to send their children to school. In Brazil, several programs of this type existed since the mid-1990s, and came together under a federal program in 2001. In 2004, the Brazilian government brought Bolsa Escola together with other minimum income programs to create a comprehensive family stipend program (Bolsa Família). This paper examines the education and equity impacts of education-oriented social programs with data provided by the Brazilian National Household Survey of 2003. The analysis shows that these programs are not well focused from an education point of view. They are better focused from a minimum income policy point of view, but with limitations. The paper concludes that these policies are not properly grounded in research, and are based on wrong assumptions.

Background – the Bolsa Escola programs

For several years, Brazilian local, state and federal governments have carried on programs to provide low-income families with children with a small monthly stipend, usually called "Bolsa Escola", which requires in turn that the family puts and keeps the children in school. The assumption is that, in very poor families, children do not go to school because they have to work, and a money incentive could change this situation. Bolsa Escola became a favorite

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of governments and international agencies, and received wide support in public opinion, as an effective instrument to improve education conditions of the poorer segments of the population. The first programs of this kind started in 1995 in the cities of Campinas, São Paulo, and Brasília, and were adopted in dozens of places thereafter. According to the estimations by Cardoso and Souza, 61 such programs existed in 1999, in addition to 17 programs run by a non-governmental institution, *Missão Criança* (Cardoso and Souza 2003). In 2001, a law was enacted creating Bolsa Escola as a federal program, based on economic transfers made through a large government-owned bank, *Caixa Econômica Federal*. The 2001 legislation assumed that the programs would be handled by the municipalities, who would be in charge of preparing the registry of persons in need, and play an active role in bringing the children to school. To participate in the program, the municipality would have to create a "council of social control", with participation of local authorities and community leaders. Only families with children between 6 and 15 years of age, enrolled in regular schools, and below a specific income line, could participate (Brasil Presidencia da Republica 2001).

At the end of 2003, the Luis Ignácio da Silva government decided to unify different federal programs of cash transfers into one, directly under the Presidency, to be managed by a special inter-ministerial council and a specially designated secretary. The new program was expected to provide a minimum income of 50 reais a month for each family with per capita income of 50 reais or less, and additional benefits for pregnant women, small children, children in school, food and cooking gas subsidies, previously under separate programs (Brasil Presidencia da Republica 2004). Sometime later, the government announced that about 5.3 million families were receiving the new benefit, estimated in 75 reais on average, or 26 dollars per family per month (Rocha Filho 2004). If we assume that there are between two and three children in school age per family, and that most of the program corresponds to the old "Bolsa Escola", this would mean that 10 to 15 million children are in families receiving the benefit. The total budget for the program in the year 2004 is 5.8 billion reais, approximately 2 billion dollars. These figures should be compared with the number of youngsters between ages 5 and 17 living in

families earning less than one dollar per person per day (12 million, or 30% of the age group) and with the federal budget for education (17.3 billion reais in 2004, of which 13.3 billion for higher education.) Basic and secondary education in Brazil are supported by state and local, not the Federal government, but Federal resources are important in the implementation of several programs, including school lunch and school books, as well as for compensating states with less resources through the National Fund for Basic Education (FUNDEF). Bolsa Família, however, is becoming larger than all the other education programs of the Federal government outside higher education.

There are many studies in the literature trying to assess the effects of such programs (Bourguignon, Ferreira and Leite 2003; Bourguignon, Ferreira and Leite 2002; Ferro and Kassouf 2004; Ramos 1999; Rocha 2000; The World Bank 2001), and, by reading the official documents issued by governments and multilateral agencies, it would seem that their effectiveness is beyond doubt (Aguiar and Araújo 2002). However, this is not the case. There is no empirical, systematic study on the actual effects of the program on school attendance, and, more crucially, on its effects on learning.[3] Qualitative studies

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[3] As Cardoso and Souza point out, “the endorsement of the Bolsa Escola program in Brazil by the World Bank is based on a case study: the case of Brasília, Distrito Federal (DF) World Bank. 2002. "Brazil: An Assessment of the Bolsa Escola Programs." Washington: The World Bank.. The endorsement of the International Labor Office (ILO) is based in the case study of Recife Lavinas, Lena, Maria Lígia Barbosa, and Octávio Tourinho. 2001. *Assessing local minimum income programmes in Brazil : ILO - World Bank Agreement*. Geneva: International Labour Office..” Writing in 2003, they note that, “until now, evaluation of the impact of the set of these programs on poverty, education and child labor do not exist. It is not known what happened to municipal programs after the introduction of the Minimum Income program and the government never made or published an analysis of this program. The program disappeared in 2001 as the government substituted the Bolsa Escola Federal for it.” Cardoso, Eliana, and André Portela Souza. 2003. "The impact of cash transfers on child labor and school attendance in Brazil." São Paulo: Departamento de Economia da Universidade de São Paulo..

tend to point to the haphazard ways in which controls of school participation is carried on, and on the resistance of schools to deal with students which are difficult learners, and the teachers' unwillingness to report school absence to the authorities, thereby withholding small stipends from very poor families (Barbosa and Lavinas 2000; Castro 1999).

Recently, the federal Bolsa Família program came under strong attack in the Brazilian press, after charges brought against it by Brazil's largest media network, *Globo*. The first attack started with article written by Ali Kamel, an editorialist of *O Globo* newspaper, denouncing that the government had no control on whether the children from families receiving the stipends were actually attending school (Kamel 2004). The second was a TV program that, based on a few scattered cases, argued that stipends were being given to middle class families who did not need them, while excluding poorer families, very often because of the program was handled by local authorities, who prepared their only lists of beneficiaries (Fantástico 2004). Regarding the first charge, the government recognized the problem, and argued that, in due time, controls would be put in effect. Going a step further, the Minister of Education announced that, in a few months, an electronic system would be put in place in all schools to make sure that the students would be attending classes[4].

To the second charge, the government responded that instances of misuse were unavoidable in a large and complex country, but the program, in general, was properly targeted to the poorer segments. At the same time, the government announced procedures to investigate and punish possible deviations. It is clear, however, that one of the main weaknesses of the program is the absence of a reliable national registry of poor, qualifying families. The only national agency that could produce such registry would be the census office, IBGE, but the Institute does not keep individual identities

[4] This was an astonishing statement, considering that most of the poorest students in rural areas are spread out in about 100 thousand municipal, one-class schools, often with a single teacher and very precarious installations and equipment. See Schwartzman, Simon. 2004a. "Dinheiro jogado fora." Pp. 2 in *O Estado de São Paulo*. São Paulo..

during the decennial census operations. Except perhaps in São Paulo, there are no state statistical offices that could do the job. The income tax office has a good registry of people holding income tax identification numbers, but this excludes, by definition, the poorer segments, which are often unregistered and undocumented. The last census took place in the year 2000, and there were plans for a population enumeration in 2005, which would be an opportunity to create a national registry. This, however, was cancelled for lack of funds. The existing registries are produced by local authorities, and subject to all kinds of technical and administrative uncertainties, as well as political manipulations.

The data from the National Household Survey

Since 2001, the yearly National Household Survey (*Pesquisa Nacional por Amostra de Domicílios – PNAD*), carried on by the Brazilian Institute for Geography and Statistics (*Instituto Brasileiro de Geografia e Estatistica – IBGE*) has been asking whether the children between 5 and 17 years of age in the household participate or not in "education-oriented social programs" ("*programas sociais voltados à educação*")[5]. Typically, PNAD is carried on in September, and the results, together with the micro data, become available one year later. The survey has a sample of about 100 thousand households, comprising about 370 thousand persons, and is representative of all Brazil's states, metropolitan and rural regions, except the scarcely populated rural regions in the North. In 2003, for the first time, participants in the programs were divided into two groups; those already received the stipend, and those already registered for the benefit, and still waiting for approval. According to the survey, in September 2003, 8.4 million of the 43.1 million children between 5 and 7 years of age were already receiving the stipend, and another 3.8 million were waiting for a decision. Unfortunately, the survey does not distinguish whether the support was coming from the Federal, state, or local governments. From the broad figures, one can assume that most of it refers to

[5] In this text, we will use "Bolsa Escola" to refer to these programs.

the federal program, although there are also other local programs, for instance in the states of Rio de Janeiro and São Paulo[6].

The impact on school enrollment and attendance

The usual assumption is that the main effect of the stipend would be to free the poor children from the need to work, allowing them to attend school. It assumed also that the stipend would create a moral obligation of families to send their children to school, and this could be reinforced by local community bodies in charge of overseeing the program, to be established for this purpose. What happens in fact? Is it true that, without the stipend, children from poor families are not going to school, because they have to work? Is it true that, once they receive the stipend, they stop working, and start studying? Is it true that, if they were taken to school, they would learn?

PNAD asks whether the person is enrolled in school, and the main figures can be seen on table 1. This table shows that to have or not a stipend can make a difference for the children between 5 and 6 years of age, as well as for those between 14 and 17. For children between 7 and 13, however, the effect is less than 2%. The reason is simple. Since education coverage in basic education is almost universal, a small monetary stipend could not make a significant difference on school enrollment. Preschool, however, is not universal, and at age 14 adolescents start dropping out of school, for different reasons. At this age, a program to stimulate the children to remain or return to school could make a difference. We cannot see, from this data, whether the impact we are seeing in these two groups were created by the standard Bolsa Escola or by other programs more targeted to specific groups, and working in tandem with schools[7]. One hypothesis is that such programs could be more

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[6] Before starting the new "Bolsa Família" program, the federal government tried to negotiate its integration with state governments and local that had similar programs, to avoid duplication and reduce costs. In most states, however, no agreement was reached.

[7] Examples of such programs would be the "*Programa de Erradicação do Trabalho Infantil* "e the "*Programa Agente Jovem*", in the State of São Paulo.

effective in bringing and keeping the children in schools, when compared with general programs.

Table 1
% of children enrolled in schools, by age and whether they participate in bolsa escola

age	receive support	enrolled and waiting	do not participate	dif (3-1)	Total in the age group
5	82.3%	80.8%	68.6%	13.7%	3,211,921
6	94.9%	92.1%	86.0%	8.9%	3,203,202
7	98.0%	97.4%	95.2%	2.8%	3,345,282
8	99.1%	99.2%	97.3%	1.8%	3,331,262
9	99.6%	98.2%	97.7%	1.9%	3,303,329
10	99.7%	98.3%	97.8%	1.9%	3,276,524
11	99.7%	97.9%	97.9%	1.8%	3,207,807
12	99.1%	97.4%	97.8%	1.3%	3,187,444
13	98.7%	96.5%	95.5%	3.2%	3,272,166
14	98.0%	93.3%	92.4%	5.6%	3,343,000
15	95.8%	92.0%	87.5%	8.3%	3,530,120
16	92.3%	87.4%	81.7%	10.6%	3,520,102
17	73.8%	79.9%	73.8%	0.0%	3,431,171
Total	97.8%	95.0%	88.4%	9.4%	43,163,330

Source: tabulated from IBGE, PNAD 2003.

If we look at the effects of Bolsa Escola according to family income per capita, however, we do find some differences, although not very large (table 2). In the lower income decile, for the group between 5 and 15 years of age, to have or not a stipend can make a difference of 11.5% in school enrollment. Similar effects, but smaller, can be found in other income groups, up to the fifth income decile. Curiously, however, we find that enrollment rates for those still waiting for the stipends are similar to those that are already receiving it, rather than to those that are out of the system, One possible interpretation for this finding is that what makes the difference in enrollment is not the stipend by itself, but to be somehow associated with social networks or other conditions that bring the persons under the reach of the program. It may be also a consequence of the rule that the stipend is to be given to families with children already in school, excluding those who have already dropped out, or are older than 15.

Table 2

% of children enrolled in schools, by income decile, age 6 to 15, and whether they participate in Bolsa Escola

income decile	receive support	enrolled and waiting	do not participate	dif (3-1)	income (*)
1	98.5%	95.9%	87.0%	11.5%	30.80
2	98.9%	96.2%	88.8%	10.0%	67.13
3	98.8%	96.6%	91.9%	6.9%	100.87
4	98.6%	98.0%	93.5%	5.1%	138.83
5	98.7%	97.8%	94.9%	3.8%	182.75
6	98.1%	96.6%	96.7%	1.3%	236.60
7	98.5%	97.8%	96.9%	1.6%	308.45
8	99.0%	97.0%	97.8%	1.2%	419.29
9	99.4%	98.8%	98.0%	1.4%	621.96
10	100.0%	95.9%	99.4%	0.6%	1,302.29
Total	98.7%	96.7%	94.1%	4.6%	

(*) family income per capita per month, in Brazilian reais (aprox US $ 0.33 per real).

Source: tabulated from IBGE, PNAD 2003.

To be enrolled is not necessarily the same as to attend school regularly. School year in Brazil starts in February, and PNAD takes place in September. At that time, children enrolled earlier may have already dropped out. In 2001, the household survey included a supplement on child labor, and asked how many days the students had missed school in the last two months, and the reasons why they did it. There was also a question about whether the children participate in education-oriented social programs, without, however, distinguishing those that were already receiving the benefits and those who were enrolled but still waiting for it. Given the similarities between these two groups, as shown in table 2, this does not seem to be a major flaw.

Table 3 shows the distribution of students according to their actual presence in school in the two months previous to the survey. The general pattern is that, between ages 7 and 13, abut 90% of the students attend school regularly, missing less than 5 days in two months, and about 8% miss more than that, with a small percentage not attending school. As noted before, school absence is higher in the lower and higher age groups, before 7 and after 13. This pattern holds stable for all income groups, with a variation of 1 to 3% of students missing more than five days of school from the richest to the poorest segments. Tables 4 shows the overall effect of Bolsa Escola on school attendance: there is some difference in full attendance for those

receiving the stipend, of about 7%, and a larger difference among those not attending at all, of 10%. But it is impossible to know whether this last difference is because those receiving the stipend are led to enroll, or because those not enrolled are not entitled to the stipend, according to the 2001 Bolsa Escola legislation.

Table 3
Days missed from school in the last two months

age	zero	2 to 5	6 or more	did not attend
5	36.0%	23.1%	6.7%	34.1%
6	45.9%	31.4%	8.9%	13.7%
7	52.9%	34.7%	8.2%	4.2%
8	55.7%	33.6%	8.0%	2.6%
9	56.2%	33.7%	7.7%	2.3%
10	57.9%	32.7%	7.6%	1.9%
11	56.7%	32.8%	8.4%	2.1%
12	56.4%	31.7%	8.9%	3.0%
13	55.0%	31.3%	9.5%	4.3%
14	51.4%	31.3%	9.9%	7.5%
15	48.5%	28.9%	10.1%	12.4%
16	43.0%	27.6%	10.8%	18.5%
17	41.5%	24.0%	8.2%	26.2%

Source: tablulated from IBGE, PNAD 2001

Table 4

School attendance in the two months previous to the survey, by participation in bolsa escola

	participation in bolsa escola	
missing days	yes	no
none	56.70%	49.40%
1 to 5	33.80%	29.90%
6 to 10	5.50%	4.80%
11 to 20	1.60%	1.80%
more than 20	1.30%	2.20%
do not attend	1.10%	11.90%
	100.00%	100.00%

Source: tablulated from IBGE, PNAD 2001

Table 5 shows the reasons presented by the students or their parents for missing school, for families in the poorest income quintile. The main reasons are illnesses and problems with the school, and not questions of work or money, and there are no significant differences related to whether the student participate or not in a Bolsa Escola program.

Table 5

Reasons for missing school (lowest income quintile)

	participation in bolsa escola	
	yes	**no**
help in domestic activities	4.6%	3.2%
work, or looking for work	4.9%	6.5%
lack of school transportation	6.3%	4.0%
Lack of money for school activities	0.9%	1.6%
the school is too far	1.0%	0.8%
did not have anyone to take him to school	1.1%	0.8%
lack of teacher, teacher strike	10.9%	13.4%
difficulty in understaning the classes	0.3%	0.4%
illness	46.6%	42.9%
did not want to go	10.6%	12.5%
the parents did not want him to go	0.7%	1.5%
other	11.9%	12.3%
	100.00%	100.00%

Source: tablulated from IBGE, PNAD 2001

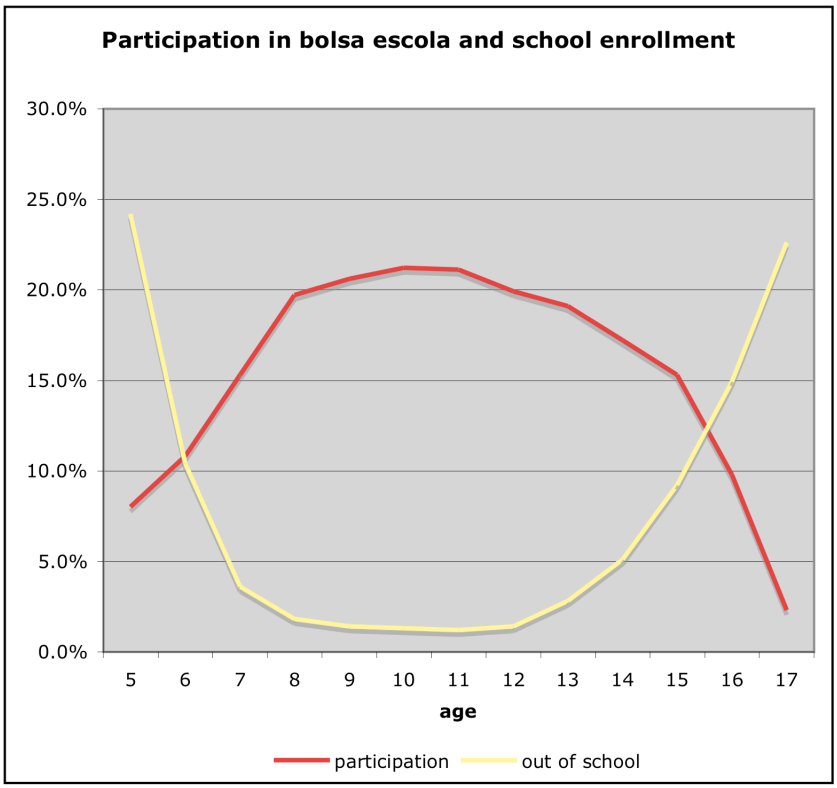
The analysis of school attendance, compared with school enrollment, shows that the information on enrollment, as displayed on table 1, corresponds to actual attendance, with a pattern of school absence that is not related to the stipend. The main variations on school participation are due to age differences, and one would expect that the Bolsa Escola program would be focused on the age groups at the highest risk. This is not, however, what happens, as shown in table 6.

Table 6
Participation in bolsa escola and school enrollment

age	receive support	enrolled and waiting	out of school
5	2.00%	6.00%	24.20%
6	2.40%	8.40%	10.40%
7	3.00%	12.30%	3.60%
8	5.70%	14.00%	1.80%
9	11.70%	8.90%	1.40%
10	12.90%	8.30%	1.30%
11	12.80%	8.30%	1.20%
12	12.50%	7.40%	1.40%
13	11.90%	7.20%	2.80%
14	10.30%	6.90%	5.10%
15	9.10%	6.20%	9.20%
16	4.90%	4.90%	14.90%
17	1.00%	1.30%	22.60%
	100.00%	100.00%	100.00%

Source: tablulated from IBGE, PNAD 2003

Figure 1



We can conclude that, overall, the Bolsa program is severely out of focus in terms of its impact on school enrollment. It focuses on the children that need it less, and, if we take the number of students still waiting for the benefit as an

indication of future trends, there was no sign in 2003 that it was correcting its direction, since most of the new stipends are for children between 7 and 11.

Another way of looking at it is to see whether the beneficiaries of the programs are enrolled in regular courses or in other types of educational programs, more typical of students out of step with their age groups. We can see on table 7 that the bulk of the benefits is given to students attending regular fundamental education, where school absence is less problematic, with very little given to students in the most needed programs, of recovery of older students who have dropped out of school and need compensatory programs to bring them back in step with their generation. As we have pointed out, the Bolsa Escola federal legislation required that the students should be in *regular* schools, not special programs of any kind. We can see also, looking at the last column of table 7, that there is a trend to improve support for children in preschool, where the educational benefits are uncertain, given the fact that most preschools in Brazil are actually day-care centers, with little or no pedagogical content.

table 7
Participation in bolsa escola by type of education

	receive support	enrolled and waiting	do not participate	% receiving stipends	expected increase(*)
Regular, fundamental (1-8)	7,592,509	3,034,205	20,710,617	33.9%	40.0%
Regular, secondary (9-12)	301,422	152,993	8,051,030	5.3%	50.8%
Recovery programs for fundamental education (supletivo)	33,533	10,307	1,028,503	4.1%	30.7%
Adult literacy	4,015	1,770	780,606	0.7%	44.1%
Preschool	340,223	462,834	5,602,562	12.5%	136.0%
Total	8,273,468	3,662,109	43,489,444	21.5%	44.3%

(*) enrolled and waiting, as a proportion of those already receiving stipends
Source: tablulated from IBGE, PNAD 2003

The effects of Bolsa Escola on child labor

Supposedly, children benefiting from Bolsa Escola would stop working, in order to attend school. The issue of child labor in Brazil tends to be presented as an alarming problem, with millions of poor children roaming the streets of the big cities begging, peddling candies or pushing drugs, and others being exploited in sweat shops or in semi-slavery work in the countryside. A careful look at the evidence shows a very different picture (Schwartzman and Schwartzman 2004). PNAD 2002 found about 6.2 million people between ages 10 and 17 reporting some kind of work, or making an effort to find work,

in the previous week or year; using the standard concept of economic activity as "working or looking for work in the previous week", the number drops to 5 million. This includes occasional work, work for one's own consumption, and a large number of children and adolescents working with their families in the countryside, without monetary compensation. Child labor is mostly rural, and takes place mostly at older ages, 15 to 17, when many adolescents have already left school[8]. To work or not to work has some impact on attending school, but it is not a large impact, as seen on table 8. This impact is small when the child is younger and works a few hours a day with their own family in rural activities; and tends to be higher for adolescents working more hours in urban environments.

Table 8

School attendance by age and economic activity

	% attending school		% active
age	Economically active	Ecoomicaly inactive	
10	98.0%	98.5%	5.8%
11	97.4%	98.6%	7.8%
12	98.5%	98.2%	9.9%
13	93.9%	97.0%	14.2%
14	88.7%	95.3%	19.5%
15	83.0%	92.3%	28.6%
16	77.3%	87.2%	39.5%
17	68.6%	79.3%	50.4%

Source: tablulated from IBGE, PNAD 2003

There are situations of obvious abuse in child labor, which require active intervention of public authorities to stop it, and a worrying pattern of urban adolescents out of school and out of work or any other kind of organized activity, a fertile ground for delinquent behavior. But, in general, child labor is mostly associated with family working patterns in rural areas, particularly in the fairly rich countryside in the South, as well as it the poor areas in the

[8] It should be noted that the concept of "economic activity" includes also the unemployed, defined as those not working but actively looking for work. PNAD 2003 found that 9.7% of the Brazilian active population were unemployed; among 15 and 17 olds, 50% were economically active, and, of those, 23%, or 995 thousand, were unemployed, and looking for work.

countryside of Bahia and other Northeastern regions. In these states, child labor is part of a much broader syndrome of poverty and lack of access to social services, which also limit the children's ability to go to school.

Table 9 shows the association between economic activity and Bolsa Escola by age, for the group between 10 and 17 years of age (PNAD only collects information about occupation for the ages 10 and above, except in special supplements). Instead of the expected negative correlation between Bolsa Escola and work, we find the opposite: those receiving the stipend are the ones that work more.

Table 9

Percentage of economically active youths beween 10 and 17 years, by participation in bolsa escola

age	receive support	enrolled and waiting	do not participate
10	8.00%	10.00%	3.80%
11	11.60%	11.00%	5.00%
12	14.80%	13.00%	6.60%
13	17.90%	21.70%	11.30%
14	24.20%	28.50%	16.50%
15	33.50%	38.40%	26.20%
16	43.10%	45.80%	38.60%
17	57.20%	53.40%	50.20%

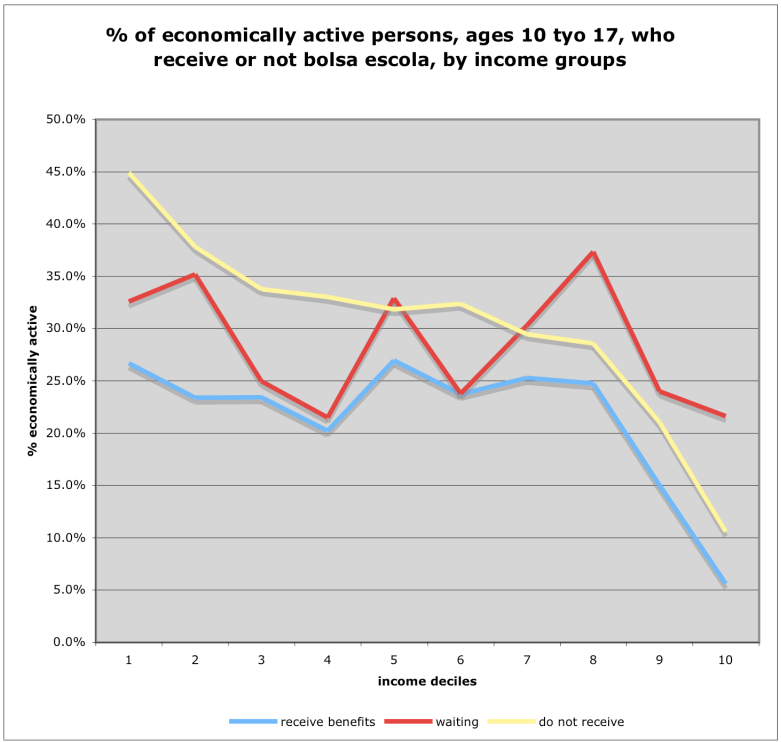
Source: tablulated from IBGE, PNAD 2003

This is to be expected, since Bolsa Escola is focused on poorer people, and they need to work more than those in higher income brackets, particularly after age 14, when 24.2% of the young in families receiving the benefits already work. When we look instead at the relationship between Bolsa Escola and economic activity by family income level, we do find important differences in the lower income brackets, as seen in table 10 and the corresponding graph. To have or not the support at the lower income bracket can mean a difference of about 20 percentage points up to the 4th level, and about 10 to 5 points thereafter[9]. The impact of just waiting for the benefit is more erratic, and open for interpretation.

[9] This finding is consistent with a regression analysis that shows that Bolsa Escola is efficient in reducing the number of hours worked, by two hours and a half a day in

table 10 % of economically active persons, ages 10 to 17, who receive or not bolsa escola, by income groups				
income deciles	receive support	enrolled and waiting	do not participate	total
1	26.7%	32.6%	44.9%	3,695,461
2	23.4%	35.2%	37.8%	3,629,234
3	23.4%	25.0%	33.7%	3,518,977
4	20.2%	21.5%	33.0%	3,032,758
5	26.9%	32.9%	31.8%	2,792,441
6	23.7%	23.8%	32.3%	2,196,695
7	25.3%	30.3%	29.4%	2,176,048
8	24.8%	37.3%	28.6%	1,942,812
9	15.0%	24.0%	21.1%	1,665,973
10	5.6%	21.6%	10.6%	1,459,007
Total	24.0%	29.3%	30.2%	26,109,406
Source: tablulated from IBGE, PNAD 2003				

Figure 2



urban, and three hours a day in rural areas. That analysis was inconclusive, however, on the effect of the stipend on the family's decision to put the children to work. Ferro, Andrea Rodrigues, and Ana Lúcia Kassouf. 2004. "Avaliação do Impacto dos programas de bolsa Escola sobre o trabalho infantil no Brasil."

Socioeconomic focalization and differences between states

In general, the Bolsa Escola programs are well focalized in lower income groups, as can be seen on table 11. In the two lowest income deciles, 45% of the children receive the benefit, and 50% of the benefits are targeted to this group. However, there is about 1.5 million of children in the 5th quintile and higher, 18% of the total, also receiving it. This means that, although the programs are in general well focused, there are also distortions, which are not just isolated cases.

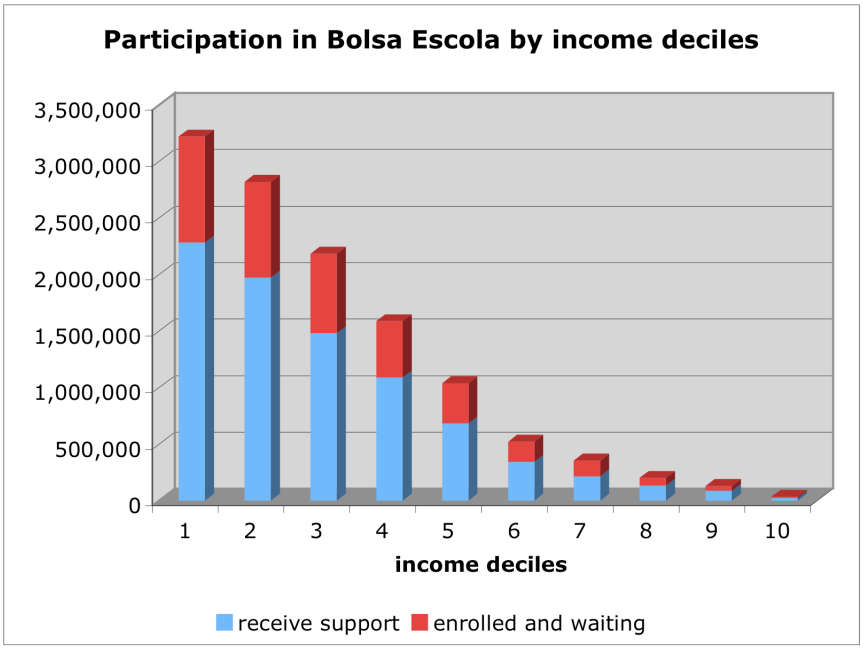
Table 11

Children ages 5-17 participating in bolsa escola programs, by family income levels

income deciles	receive support	enrolled and waiting	do not participate	Total	% participating	familiy income per capita (*)
1	2,281,579	938,125	3,520,167	6,739,871	47.8%	30.21
2	1,971,244	849,018	3,317,920	6,138,182	45.9%	68.18
3	1,481,162	703,457	3,521,954	5,706,573	38.3%	102.78
4	1,088,977	498,837	3,250,577	4,838,391	32.8%	140.94
5	682,082	356,762	3,283,590	4,322,434	24.0%	185.37
6	341,456	179,777	2,819,846	3,341,079	15.6%	239.06
7	214,064	140,831	2,971,418	3,326,313	10.7%	311.07
8	132,394	68,571	2,769,996	2,970,961	6.8%	427.86
9	88,257	41,276	2,438,756	2,568,289	5.0%	646.77
10	23,987	12,365	2,212,288	2,248,640	1.6%	1,569.38
Total	8,305,202	3,789,019	30,106,512	42,200,733	28.7%	260.34

(*) reais per person per month
Source: tablulated from IBGE, PNAD 2003

Figure 3



To understand better the distribution, it is important to look at geopolitical differences. The first observation is that, although most of low-income families live in urban areas, the program is biased towards the rural sector (figure 4). Of the 12.8 million children in families at the lowest fifth income quintile, 35% live in rural areas, but receive 40% of the stipends. Among the rural poor, 39% receive the stipend; among the urban poor, only 30%. The rationale for this bias is not very clear, but it may be related to the fact that, to qualify for the federal programs, the mean income of the municipality should be lower than the mean income of its state. This excludes the large metropolitan areas, which have higher-than-average mean incomes, but also large pockets of poverty, and runs counter to the notion the most of Brazil's current social problems are in the urban poverty belts and shantytowns. The cost of living in the countryside is lower, with opportunities for non-monetary, self-sustaining activities that are absent in the urban environment, and the consequences of a very low monetary income in rural or urban areas are very different.

Figure 4

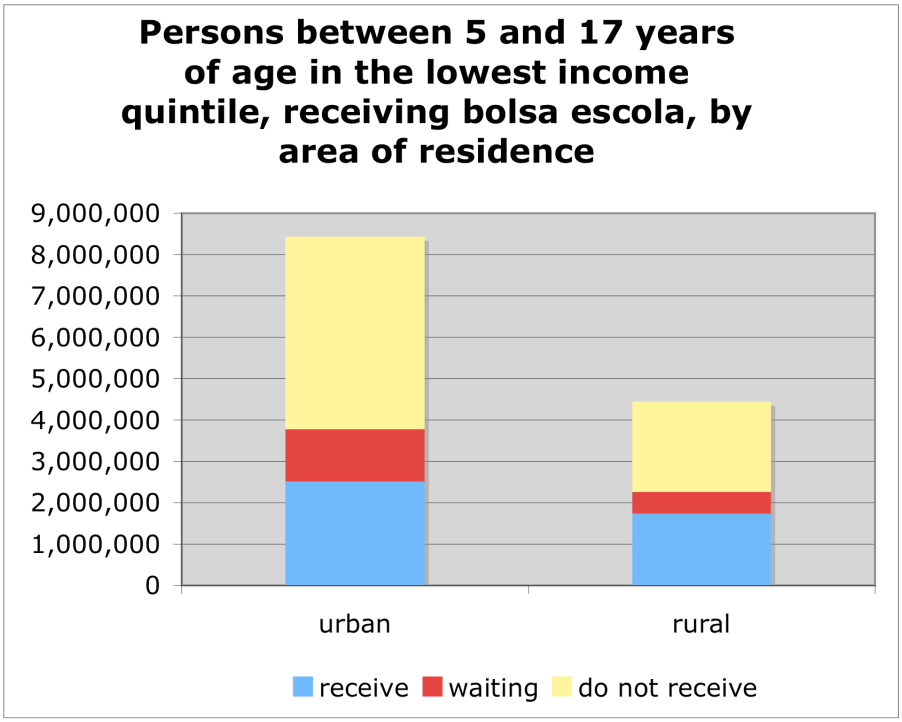


Table 12 shows the distribution of beneficiaries by state. It is natural that the poorer and more populated states – Bahia, Minas Gerais, Maranhão, Ceará – would receive more benefits. The low participation of the States of Rio de Janeiro and São Paulo, however, merits attention. In part, this situation can be explained by the fact that these states are relatively richer, and have a small percentage of low-income families. However, even in the lowest income segment, the proportion of beneficiaries is smaller, as shown in table 13.

Table 12

Children ages 5-17 participating in bolsa escola programs, by State of residence

State	receive support	enrolled and waiting	do not participate	total	% receiving
Rondônia	37,571	21,890	227,814	287,275	13.1%
Acre	29,360	13,047	81,228	123,635	23.7%
Amazonas	95,844	29,970	578,927	704,741	13.6%
Roraima	14,244	2,504	67,924	84,672	16.8%
Pará	251,984	172,208	862,454	1,286,646	19.6%
Amapá	34,958	11,797	97,094	143,849	24.3%
Tocantins	100,617	21,557	213,856	336,030	29.9%
Maranhão	605,042	177,426	1,011,843	1,794,311	33.7%
Piaui	290,225	57,535	455,712	803,472	36.1%
Ceará	683,818	332,012	1,155,950	2,171,780	31.5%
Rio Grande Norte	220,218	85,477	476,188	781,883	28.2%
ParaÌba	308,231	90,400	515,006	913,637	33.7%
Pernambuco	560,550	317,140	1,200,057	2,077,747	27.0%
Alagoas	241,303	95,229	528,373	864,905	27.9%
Sergipe	120,103	16,422	360,953	497,478	24.1%
Bahia	1,197,691	474,764	1,966,448	3,638,903	32.9%
Minas Gerais	925,184	508,901	2,995,469	4,429,554	20.9%
Espirito Santo	165,148	94,308	540,013	799,469	20.7%
Rio de Janeiro	223,686	97,749	2,580,782	2,902,217	7.7%
São Paulo	714,572	410,486	7,356,386	8,481,444	8.4%
Paraná	450,132	196,501	1,748,277	2,394,910	18.8%
Santa Catarina	137,192	89,760	1,084,498	1,311,450	10.5%
Rio Grande Sul	342,442	254,256	1,716,442	2,313,140	14.8%
Mato Grosso Sul	109,621	25,312	398,010	532,943	20.6%
Mato Grosso	109,239	62,737	520,926	692,902	15.8%
Goiás	263,603	88,526	969,205	1,321,334	19.9%
Distrito Federal	72,624	41,105	396,677	510,406	14.2%
Total	8,305,202	3,789,019	30,106,512	42,200,733	19.7%

Source: tablulated from IBGE, PNAD 2003

Table 13

Family income levels of participants in bolsa escola programs

Sates	1 - receive support	2 - enrolled and waiting	3 - do not participate	ratio 3/1	ratio 2/1	% receiving in the lowest income quintile
Rondônia	141.40	153.28	282.57	2.00	1.08	17.2%
Acre	119.26	115.34	376.24	3.15	0.97	34.1%
Amazonas	110.37	136.00	229.11	2.08	1.23	19.4%
Roraima	187.48	115.89	315.61	1.68	0.62	21.7%
Pará	125.83	132.73	236.79	1.88	1.05	24.5%
Amapá	96.29	115.47	252.50	2.62	1.20	34.2%
Tocantins	113.58	113.34	237.48	2.09	1.00	36.0%
Maranhão	92.57	94.37	164.97	1.78	1.02	38.0%
Piaui	83.76	96.27	198.39	2.37	1.15	41.6%
Ceará	92.28	97.48	194.62	2.11	1.06	37.2%
Rio Grande Norte	93.49	106.91	222.15	2.38	1.14	35.2%
ParaÌba	99.96	98.91	216.43	2.17	0.99	41.2%
Pernambuco	83.54	87.44	201.68	2.41	1.05	34.4%
Alagoas	78.57	85.71	165.45	2.11	1.09	33.0%
Sergipe	81.72	106.39	219.22	2.68	1.30	33.8%
Bahia	83.71	99.98	196.48	2.35	1.19	40.3%
Minas Gerais	113.80	125.82	306.40	2.69	1.11	35.8%
Espirito Santo	114.54	111.70	331.44	2.89	0.98	33.7%
Rio de Janeiro	193.04	121.52	367.43	1.90	0.63	15.3%
São Paulo	154.73	160.16	399.31	2.58	1.04	17.6%
Paraná	129.80	135.17	377.16	2.91	1.04	37.5%
Santa Catarina	156.87	187.94	424.06	2.70	1.20	29.6%
Rio Grande Sul	132.20	128.86	392.87	2.97	0.97	29.8%
Mato Grosso Sul	130.15	107.13	315.81	2.43	0.82	33.2%
Mato Grosso	139.70	128.19	293.25	2.10	0.92	22.3%
Goiás	126.45	131.21	315.32	2.49	1.04	34.0%
Distrito Federal	151.71	110.77	599.81	3.95	0.73	28.9%
Total	110.33	118.51	319.57	2.90	1.07	33.0%

Source: tablulated from IBGE, PNAD 2003

The comparison between columns 1 and 2 of table 12 allows us to see in which direction the program is moving in different states. Will the future beneficiaries be poorer, as poor or less poor than then current participants? The general trend is for the newcomers to have a slightly higher income level, but there are large differences among states. The program is getting more focused in Rio de Janeiro, the Federal District of Brasilia and Mato Grosso do Sul, and moving out of focus in Amapá, Bahia, and Santa Catarina.

It is impossible to understand these differences and trends just by looking at the data; it is necessary to see what is actually happening in different states. In the case of Rio de Janeiro, it seems clear that a significant number of beneficiaries were receiving support not from the Federal, but from the State government, through a program called “Citizen’s check” (“*cheque cidadão”*) which, in 2004, according to the state’s sources, attended about 100 thousand

families, and required all the children under 14 to be in school, The political use of this state program for electoral purposes became notorious in the 2004 municipal elections. The state of São Paulo has also its own stipend program, "*renda cidadã*". One would expect that the Federal program would be more consistent nationwide, but it suffers from a serious limitation, the lack of a consistent national registry of low-income families.

The rural bias we noted in Bolsa Escola becomes more evident when we look at the major urban concentrations, Brazil's main metropolitan areas, Tables 13 and 14 show that the program's coverage in metropolitan areas is significant smaller than in the country as a whole, particularly for the lowest income quintile, with a coverage of 22.6%, compared with 33% nationally.

Table 14

Children ages 5-17 participating in bolsa escola programs, by metropolitan areas

Metropolitan area	receive support	enrolled and waiting	do not participate	total	% receiving
Belém	65,124	38,071	317,040	420,235	15.50%
Fortaleza	201,045	148,195	473,542	822,782	24.43%
Recife	137,097	135,428	512,159	784,684	17.47%
Salvador	167,847	107,627	463,128	738,602	22.72%
Belo Horizonte	153,382	109,879	779,098	1,042,359	14.71%
Rio de Janeiro	128,368	61,160	1,906,775	2,096,303	6.12%
São Paulo	344,382	212,592	3,447,195	4,004,169	8.60%
Curitiba	67,418	37,286	590,562	695,266	9.70%
Rio Grande do Sul	68,044	64,967	700,548	833,559	8.16%
Brasília	72,624	41,105	396,677	510,406	14.23%
Total	1,405,331	956,310	9,586,724	11,948,365	11.76%

Source: tablulated from IBGE, PNAD 2003

Table 15

Family income levels of participants in bolsa escola programs

Metropolitan area	1 - receive support	2 - enrolled and waiting	3 - do not participate	ratio 3/1	ratio 2/1	% receiving in the lowest income quintile
Belém	135.0	136.1	305.81	2.27	1.01	22.1%
Fortaleza	116.4	107.4	277.92	2.39	0.92	30.6%
Recife	93.0	94.7	266.94	2.87	1.02	26.4%
Salvador	102.5	107.5	310.46	3.03	1.05	33.2%
Belo Horizonte	128.3	126.2	368.66	2.87	0.98	29.2%
Rio de Janeiro	204.3	112.8	380.92	1.86	0.55	12.4%
São Paulo	170.4	164.6	405.62	2.38	0.97	15.3%
Curitiba	160.4	156.0	389.22	2.43	0.97	25.5%
Rio Grande do Sul	135.3	138.7	429.33	3.17	1.03	20.9%
Brasília	151.7	110.8	599.74	3.95	0.73	28.9%
Total	140.7	126.2	384.84	2.73	0.90	22.6%

Source: tablulated from IBGE, PNAD 2003

Conclusions and policy implications

Our analysis shows that the Bolsa Escola programs are reasonably well focused in lower-income families, in spite of a bias against the poor in urban areas, some regional distortions and the fact that, in 2003, of the 8.3 million children in families receiving the benefit, 1.5 million, or 17%, were in the upper 50% income bracket. On the other hand, we saw that the programs are mostly out of focus as an education policy instrument, since most of the stipends are given to families that would keep their children in schools in any

case[10]. School absenteeism becomes an important problem in Brazil at age 14, when adolescents start dropping out of school in large numbers. However, the legislation that created the federal program of Bolsa Escola in 2001 stated explicitly that the stipends were to be given only to families with children between 6 and 15 years of age, who were attending regular schools. In other words, it excluded both the older group and those that had already left school, including those that were attending special remedial or recovery course programs ("*cursos supletivos*", or "*educação de jovens e adultos*").

Bolsa Escola is based on a wrong assumption, namely that the explanation for the lack of education of low-income children is that they do not go to school because they need to work. In fact, millions of low-income children do go to school every day. When they do not attend, it is usually not because they need to work, but because the school is not accessible, does not function as it should, or they are unable learn, and drop out as they get alienated and reach an age when they can already start working and are less dependent on their parent's control. In some cases, a subsidy, combined with some kind of

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[10] In their regression analysis, Cardoso and Souza conclude that Bolsa Escola has a significant impact on school attendance, but no discernible impact on the reduction of child labor. They find that "While 95 percent of boys attend school in the treatment group, around 92 percent of them attend school in the control group. The average treatment effect is an increase of 3 percentage points in school attendance among boys and the effect is highly significant. Considering that in the comparison group there are only 8 percent of boys out of school, a 3-percentage points change is a big effect " Cardoso, Eliana, and André Portela Souza. 2003. "The impact of cash transfers on child labor and school attendance in Brazil." São Paulo: Departamento de Economia da Universidade de São Paulo., p. 20. On table 2, we saw that 98.5% of the children receiving Bolsa Escola were enrolled in schools, as against 94.1% of those not enrolled, a difference of 4.6%. This 4.6 would mean that Bolsa Escola could be keeping 1.4 million children in school, assuming that this is the only difference between the two groups. If we consider, however, that just to be enrolled without receiving support also increases enrollment by 2.6%, the likely effect of Bolsa Escola may be not higher than 2%, or 600 thousand additional enrollments, out of about 8.4 million receiving the stipends.

social control and motivational programs, can induce the family to keep their children in school, but there is no assurance that they will learn, if the school is not equipped to deal with children coming from economically and culturally deprived families. Analysis of the results of the Brazilian basic education assessment system, SAEB, as well as international comparative assessments, show that the correlation between the socioeconomic condition of the family and the achievement of students is extremely high in Brazil, an indication that the schools are not prepared and equipped to deal with students that arrive without the "cultural capital" associated with middle and high-income family environments (Soares 2004) (OECD 2001) (Oliveira and Schwartzman 2002).

From an educational point of view, the best use for the billions now spent on Bolsa Escola would be to invest in the improvement of the quality of the Brazilian public education, and in remedial programs for adolescents who have recently dropped out from school, and could still be brought back.

In the 1990s, the Brazilian government, with the strong support of the World Bank, invested heavily in a program called "*Fundescola*", which was supposed to improve the quality of Brazilian schools in the rural areas and the poorer states. The total investment in the program, predicted by the World Bank, was to be about 1.3 billion dollars in a 10-year period, starting in 1998 (Horn 2002). Now, there is a clear shift of emphasis both in Brazil and in the international agencies, with preferences given to cash transfer programs, associated with the empowerment, organization and mobilization of society. One can only speculate on reasons for this shift; one possibility is the absence of tangible effects of *Fundescola* and similar programs, after many years of work and significant investments. More broadly, this shift could be explained by the growing skepticism about the ability of public institutions to improve, and the renewed faith in the virtues of "civil society", which is widespread among non-governmental organizations and institutions of all

kinds, on the left and right of the ideological spectrum.[11] A third explanation is that school improvement is notoriously difficult to implement, fraught with controversies and difficult to assess, while cash transfers to be poor is much simpler to understand and easier to measure.

On the other hand, Bolsa Escola, and its successor, Bolsa Família, could be justified as policies of income redistribution. Brazil has one of the worse income distribution profiles in the world, and it would take too long to wait for the economy to grow, for the population to get more educated, and for everybody start earning a decent salary. This does not mean that poverty could be reduced significantly with level of subsidy, as any rough calculation can show. In 2003, there were 5.3 million families in Brazil reporting a family per capita income of two dollars a day (60 reais) or less, with a mean income of 40.1 reais. Assuming that all these families received 45 reais per month as stipends for three children, this would mean 10 additional reais per capita, raising the mean to 50 reais - still under the poverty line of two dollars a day. Besides, the existing stipends are supposed to be already included in this estimation of family per capita income[12].

Income distribution policies are immersed in strong ideological disputes, reminiscent of the old Malthusian notion that social welfare stimulates laziness and lax habits, and is present in the known American debate about the moral effects of the Aid to Families with Dependent Children Program (AFDC)

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[11] This is discussed more extensively in Schwartzman, Simon. 2004b. *Pobreza, exclusão social e modernidade: uma introdução ao mundo contemporâneo*. São Paulo: Augurium Editora., chapter 10.

[12] This is consistent with the conclusion of Bourguignon, Ferreira and Leite, in their sophisticated "ex-ante" econometric analysis of Bolsa Escola, that this program would have a "muted impact of the transfers on the reduction of current poverty and inequality levels". Their other finding, however, that there is "surprisingly strong effect of the conditionality on school attendance", we are unable to confirm Bourguignon, François, Francisco HG Ferreira, and Phillippe George Leite. 2002. *Ex-ante evaluation of conditional cash transfer programs: the case of Bolsa Escola*. Washington, DC: World Bank Development Research Group Poverty Team..

(Jencks 1993). The Bolsa Família program seems to subscribe to this conservative bias, since it requires the existence of some kind of conditionality, or reciprocity from the recipients, in terms of school attendance for the children, or attendance to public health posts for pregnant women, or requiring that people eat a balanced diet, as in the earlier "Fome Zero" program. There is an on-going dispute about how this conditionality should be implemented – through public agencies or through special social control committees, established outside the existing agencies and institutions. The Federal government is unable to supervise the behavior of poor families throughout the country; local governments and municipalities are either inefficient, or tied up with local elites, or both; and community and grassroots organizations are easily captured by political parties and movements and develop their own bureaucracies and interest groups, specially when dealing with public money.

It is possible to argue, however, that minimum income programs could better be provided unconditionally. In Brazil, older people in the countryside have been entitled for years to a retirement benefit of one minimum wage (three times higher than Bolsa Família), without anyone claiming that is an unjustified and morally perverse social program. Poor families with young children, however, do not seem to deserve the same treatment. One of the leading proponents of minimum income policies in Brazil, Senator Eduardo Suplicy, has been arguing that such policies should be truly universal, without means testing or other attempts to convince or coerce people to do something[13]. Such universal program would be naturally biased towards the poor, and free from complex bureaucracies and the political patronage that tends to be associated with any kind of distribution of benefits under the control of politicians, bureaucrats or non-governmental organizations. A fully universal minimum income policy of this kind would be too expensive at this point, but the principle of unconditional support could be applied to the existing programs.

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[13] Suplicy, Eduardo Matarazzo. 2002. *Renda de Cidadania. A saída é pela porta*. São Paulo: Fundação Perseu Abramo; Cortez Editor.

In short, the best way to improve the education of the poor is to improve the schools, and make them more capable of dealing with children coming from deprived families; and the best way to use cash transfers to reduce inequality is to make is as simple and direct as possible, without attempting to control the behavior of the recipients, and without allowing the income programs to be used by old or new political groups for their own purposes.

A final consideration about the role of empirical research in providing support for the establishment of social policies, and for the assessment of their results, is in order. Bolsa escola has been heralded as belonging to a new generation of social policies, strongly rooted on research, and carefully monitored on its implementation. In fact, the empirical evidence that supports it is flimsy and controversial, there is no built-in assessment mechanisms in the program, and indirect analyses, such as the one provided in this paper, raise serious doubts about its assumptions and actual impact. The use of research as rhetoric justification for policies is not the same as using it effectively to identify the best ways to go, and to make the necessary changes and adjustments when necessary.

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