Bolsa Família in the Spotlight of Public Opinion:
Some Observations and Theories on the Political Economy of CCTs

Kathy Lindert, Sector Manager
Safety Nets Core Course
December 15, 2010
Conditional Cash Transfers first emerged at municipal level in Brazil in 1995, then spread to Mexico in 1997. (Bangladesh developed a similar scheme with food)
Spread of Conditional Cash Transfers Around the World 2010

Countries with CCTs

Exporting the CCT Trademark Around the World…
Why Are CCTs so Popular?

Three Theories:

1. Technical Implementation:
   - “What works technically, works politically”
   - (This is not the case with many policies: e.g., labor, taxation, retirement pensions)

2. Proven Impacts:
   - Importance of data collection, impact evaluations
   - Lots of evidence (internationally)

3. Politics:
   - “Philosophical” appeal at both ends of political spectrum
   - Political support, votes
Why Are CCTs so Popular?

Philosophical Appeal Across Political Spectrum

Left:
- Social debt to the poor
- Poverty relief, “emancipation”
- Conditionalities as basic rights

Right:
- Not very expensive
- Not just a cash handout
- Conditionalities as contracts

Hypothesis: Conditionalities play a “political role” in garnering credibility, political support for cash transfers
Bolsa Família in the Headlines

An Analysis of the Media’s Treatment of Conditional Cash Transfers in Brazil

Kathy Lindert & Vanina Vincensini, The World Bank December 2010
The “Quiet Revolution” of Brazil’s Bolsa Família Program

Innovations in Social Policy

Brazilian Tradition:
- CCTs pioneered in mid-1990s
- President Lula launched BFP in 2003 to consolidate Social Safety Net

CCT Objectives:
- Alleviate poverty today via cash transfers to poor families
- Reduce poverty tomorrow by conditioning transfers on family investments in human capital (education and health)

Technical “Report Card:” Good!
- Improvements in registry
- Massive recertification
- Payments through banking system
- Conditionalities monitoring
- Oversight and Controls Network
- Innovations for implementation in decentralized context
- Building bridges to complementary services

Impressive Impacts

Near Universal Coverage of Poor:
- 12.8 million families
- 55 million people
- 25% of population

Strong targeting outcomes:
- 73% of benefits to poorest 20%
- 94% of benefits to poorest 40%

Reducing Poverty & Inequality:
- BFP => 15% of fall in Gini
- BFP => 17% of fall in XP

Human Capital Impacts:
- School attendance
- Drop-out rates
- Food consumption

Relatively “cheap” price tag:
- Less than 0.4% GDP
What were the political aspects of this “Quiet Revolution” in social

- What were the public debates about this transformation in social policy?
  - How did the press\(^*\) reflect this public debate?
  - What aspects of the conditional cash transfers received the most attention?

- How did the Government respond?
  - What was the communications strategy?

Key point: Brazil has a free and independent press
Media Analysis Methodology: Overview & Approach

Unit of Analysis = Newspaper Articles Covering 2 periods in 6 years

Pre-BFP Period (Bolsa Escola) 2001-03

Bolsa Familia Program 2004-06

All Articles Identified:
6,531 Articles From 6 newspapers

Number of newspaper articles “FOCUSSED on CCTs:”
1,991 Articles

Number of newspaper articles “Merely Mentioning CCTs:”
4,540 Articles

We catalogued articles using search engines of 6 major newspapers:
### Media Analysis Methodology: Database & Variables for Analysis

Reading, Analyzing and Cataloguing Database of Newspaper Articles (>6500 articles)

<table>
<thead>
<tr>
<th>Variable Category</th>
<th>Type of Variable</th>
<th>Number of Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of Article Identification</td>
<td>Identification</td>
<td>6</td>
</tr>
<tr>
<td>Newspaper Identification</td>
<td>Identification</td>
<td>1</td>
</tr>
<tr>
<td>Section of Newspaper Identification</td>
<td>Identification</td>
<td>1</td>
</tr>
<tr>
<td>CCT Mentioned Identification</td>
<td>Identification</td>
<td>4</td>
</tr>
<tr>
<td>Focus of Article (CCT or not) Identification</td>
<td>Identification</td>
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<tr>
<td>Topics Addressed in the Article and Related to CCTs Context</td>
<td>Identification</td>
<td>18</td>
</tr>
<tr>
<td>Tone Perception</td>
<td>Identification</td>
<td>1</td>
</tr>
<tr>
<td>Length of Article Identification</td>
<td>Identification</td>
<td>1</td>
</tr>
<tr>
<td>Special Location of Article Identification</td>
<td>Identification</td>
<td>2</td>
</tr>
<tr>
<td>Type of Article Identification</td>
<td>Identification</td>
<td>1</td>
</tr>
<tr>
<td>Author Identification</td>
<td>Identification</td>
<td>1</td>
</tr>
<tr>
<td>Data/Visual Identification</td>
<td>Identification</td>
<td>4</td>
</tr>
<tr>
<td>Informants Perception</td>
<td>Identification</td>
<td>5</td>
</tr>
<tr>
<td>Donors/International Organizations Mentioned Context</td>
<td>Identification</td>
<td>1</td>
</tr>
<tr>
<td>Design and Implementation Issues</td>
<td>Perception</td>
<td>8</td>
</tr>
<tr>
<td>Drill Down on Operations</td>
<td>Various</td>
<td>20</td>
</tr>
<tr>
<td>Drill Down on Fraud &amp; Controls</td>
<td>Various</td>
<td>15</td>
</tr>
<tr>
<td>Drill Down on Conditionalities</td>
<td>Various</td>
<td>24</td>
</tr>
<tr>
<td>Drill Down on Dependency &amp; Exit Doors</td>
<td>Various</td>
<td>19</td>
</tr>
<tr>
<td>Perception of CCT’s Role in Social Policy</td>
<td>Perception</td>
<td>9</td>
</tr>
<tr>
<td>Drill Down on Assistencialismo</td>
<td>Perception</td>
<td>19</td>
</tr>
<tr>
<td>International Experience</td>
<td>Context</td>
<td>3</td>
</tr>
<tr>
<td>Political Use of CCTs</td>
<td>Context</td>
<td>3</td>
</tr>
<tr>
<td>Headline Perception</td>
<td>Perception</td>
<td>2</td>
</tr>
<tr>
<td>Interesting Quotes</td>
<td>Perception</td>
<td>2</td>
</tr>
<tr>
<td>Perception of the articles</td>
<td>Perception</td>
<td>1</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>172</td>
</tr>
</tbody>
</table>

**Identification Variables:**
- Visibility
- Informants
- Type of article
- Context

**Key Design & Implementation Aspects**

**Tone of the articles**

**Variables Recorded for Focused Articles**

**Variables Recorded for Drill Down Sub-Samples**
### Coding the “Tone” Variable: Tone Categories

<table>
<thead>
<tr>
<th>No Tone = 0</th>
<th>Perception of CCT CONCEPT</th>
<th>Perception of CCT IMPLEMENTATION</th>
<th>Overall Tone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undefined</td>
<td>Undefined</td>
<td>Undefined</td>
<td>Undefined (for info only)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Favorable Tone = 1</th>
<th>Perception of CCT CONCEPT</th>
<th>Perception of CCT IMPLEMENTATION</th>
<th>Overall Tone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Favorable</td>
<td>Favorable</td>
<td>Favorable</td>
<td>Favorable</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ambiguous Tone = 2</th>
<th>Perception of CCT CONCEPT</th>
<th>Perception of CCT IMPLEMENTATION</th>
<th>Overall Tone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Favorable</td>
<td>Favorable</td>
<td>Critical</td>
<td>Favorable With Limitations</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Critical Tone = 3</th>
<th>Perception of CCT CONCEPT</th>
<th>Perception of CCT IMPLEMENTATION</th>
<th>Overall Tone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Critical</td>
<td>Critical</td>
<td>Critical</td>
<td>Unfavorable</td>
</tr>
</tbody>
</table>
5 Broader Messages: Visibility, Tone

• “Macro Perceptions” of CCTs in the Press:
  – How much press coverage?
  – How favorable or unfavorable has been the tone of press treatment of CCTs (Tone)?

• 5 Macro Messages:
  1. High visibility of CCTs in the press
  2. General endorsement of the concept of CCTs in the Brazilian press
  3. Scaling up dilemma
  4. Technical Inter-Action (press coverage of perceived weaknesses and improvements in implementation)
  5. Political Inter-Action (scrutiny with election cycles)

=> Each with “reflections” for practitioners of conditional cash transfers
Implications for practitioners: Importance of clear public relations strategy, both to share information about the program and to respond to queries from the press & public.
Message #2: General Endorsement of the Concept of Conditional Cash Transfers

Implications for practitioners: Communications about the concept of the social instrument is crucial. So is transparency about implementation aspects.
Message #3: Scaling-Up Dilemma

Implications for practitioners: Governments need to balance pressures for rapid scale-up with realities of implementation capacity (registries, payments systems, etc.)
Implications for practitioners: Press treatment of reflects both technical strengths and perceived weaknesses in the implementation of the program. This potential “virtual cycle” of accountability for both the press and the Government implies that program quality matters for public support. In other words, “what works technically, works politically” (and conversely, “technical weaknesses can be political liabilities”).
**Message #5: Political Inter-Action**

**Average Tone by Quarter and Political Events**

<table>
<thead>
<tr>
<th>Year</th>
<th>3rd Year FHC</th>
<th>4th Year FHC</th>
<th>1st Year Lula</th>
<th>2nd Year Lula</th>
<th>3rd Year Lula</th>
<th>4th Year Lula</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time</td>
<td>Q1 01</td>
<td>Q2 01</td>
<td>Q3 01</td>
<td>Q4 01</td>
<td>Q1 02</td>
<td>Q2 02</td>
</tr>
<tr>
<td></td>
<td>Q3 02</td>
<td>Q4 02</td>
<td>Q1 03</td>
<td>Q2 03</td>
<td>Q3 03</td>
<td>Q4 03</td>
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<td></td>
<td>Q1 04</td>
<td>Q2 04</td>
<td>Q3 04</td>
<td>Q4 04</td>
<td>Q1 05</td>
<td>Q2 05</td>
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<td></td>
<td>Q3 05</td>
<td>Q4 05</td>
<td>Q1 06</td>
<td>Q2 06</td>
<td>Q3 06</td>
<td>Q4 06</td>
</tr>
</tbody>
</table>

- **Mere Mention Articles**
- **Articles Focused on CCTs**

**More Critical of CCTs**

- 3rd Year FHC
- 4th Year FHC
- 1st Year Lula
- 2nd Year Lula
- 3rd Year Lula
- 4th Year Lula

**Elections**

- Year Leading to Presidential Elections
- Year Leading to Municipal Elections

**Launch of Bolsa Familia**

**Year Leading to Presidential Elections**

**Pre-BFP (Bolsa Escola)**

**Bolsa Familia**

**Implications for practitioners**: Elections bring increased scrutiny (regardless of political party or program). Transparency in public relations important. Pre-election measures such as pre-election “enrollment quarantines” are also important steps to reducing perceptions of clientelism or politicization of the program.
5 Thematic Messages: Press Coverage of Design and Implementation Issues

• “Micro Perceptions” of CCTs in the Press:
  – Which design and implementation issues got the most attention in the press?
  – What was the “flavor of debate” about these issues?

• 5 Micro (Technical) Messages:
  1. Sequencing of social policy challenges (first-generation & second-generation issues)
  2. Targeting accuracy, perceptions of “social justice”
  3. Unchecked fraud & errors = political liability for flagship social programs
  4. Conditionalities and political legitimacy of cash transfers
  5. Transfer dependency (“Assistencialismo”) vs. graduation from poverty

=> Each with “reflections” for practitioners of conditional cash transfers
## Media Database: Sampling for Analysis of Design & Implementation Themes

<table>
<thead>
<tr>
<th>Theme</th>
<th>% of Total Focused Articles</th>
<th>Total Articles (Full Sample)</th>
<th>Drill-Down # (40% Sub-Sample)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Targeting, registry, payments</td>
<td>44%</td>
<td>875</td>
<td>174</td>
</tr>
<tr>
<td>Fraud &amp; Fraud Controls</td>
<td>25%</td>
<td>494</td>
<td>197</td>
</tr>
<tr>
<td>Conditionalities</td>
<td>24%</td>
<td>483</td>
<td>193</td>
</tr>
<tr>
<td>Assistencialismo</td>
<td>11%</td>
<td>219</td>
<td>88</td>
</tr>
<tr>
<td>Welfare Dependency, Graduation</td>
<td>9%</td>
<td>184</td>
<td>73</td>
</tr>
</tbody>
</table>

* 20% for cadastro/targeting/registry due to large number of articles
**Message #6: Frequency & Sequencing of Design & Implementation Aspects**

**Media Treatment of "Hot Button" Implementation**

<table>
<thead>
<tr>
<th>Features</th>
<th>Frequency (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Targeting, Payments</td>
<td>44%</td>
</tr>
<tr>
<td>Coverage</td>
<td>44%</td>
</tr>
<tr>
<td>Fraud &amp; Controls</td>
<td>25%</td>
</tr>
<tr>
<td>Conditionalities</td>
<td>24%</td>
</tr>
<tr>
<td>Unit value</td>
<td>15%</td>
</tr>
<tr>
<td>Dependency/Exit</td>
<td>9%</td>
</tr>
<tr>
<td>Financing</td>
<td>8%</td>
</tr>
<tr>
<td>Compl. Programs</td>
<td>4%</td>
</tr>
</tbody>
</table>

**Sequencing:** First and second-generation issues

**Implications for practitioners:** Program managers should focus first on “getting the right people into the program” and “getting the program functioning” (basic architecture). They will later face “inevitable” pressures to confront second-generation issues such as “the graduation agenda.”
Message #7a: Targeting Accuracy

Which issue gets more attention in the press?

A poor family without benefits?  
(Errors of Exclusion)

OR, an non-poor family receiving the benefits of the program?  
(Errors of Inclusion)
Implications for practitioners: Emphasis could reflect society’s perceptions of social justice (such perceptions vary significantly across countries). Perceptions of fairness in applying eligibility criteria probably matter for public opinion and credibility of the program.
Message #8: Political Liability of Unchecked Fraud & Errors

Implications for practitioners: All programs suffer some degree of fraud and errors. The challenge is to develop systems to minimize them. If the media perceives irregularities, it will publicize these “scandals” visibly. However, the tone of the media does improve when the government takes bold, credible and transparent steps to systematize oversight and controls.

Government adopts bold initiatives to strengthen oversight & controls and to reduce errors.

Transition year for BFP

Pre-BFP (Bolsa Escola)  Bolsa Familia

Fraud Mentions  Average Tone of Articles

More Critical of CCT
Message #9: Political Role of Conditionalities

Why Do Conditionalities Matter?

- Promote citizens' rights to services: 5%
- For long-run structural impacts: 35%
- For incentives (contract): 20%
- To reduce "assistencialismo": 40%

Press debate suggests that conditionalities matter for:
(a) Impacts
(b) Incentives
(c) Reducing “assistencialismo” (political role)

... But conditionalities need to be monitored to maintain credibility.

Debate on the Importance of Conditionalities in the Press

- Majority of articles in 2004-06 emphasize the importance of monitoring conditionalities.

Implications for practitioners: In addition to human capital impacts, conditionalities can enhance political “legitimacy” of cash transfers. Practitioners should also recognize the importance of compliance monitoring in garnering public support.
Message #10a: The Rise of the “Graduation Agenda” in the Spotlight

2nd Generation Issue for CCTs

Implications for practitioners: Policy makers should pay increasing attention to the concerns about perceived “transfer dependency” and the need for “graduation strategies” (second-generation issues)
Message #10b: Reducing “Transfer Dependency” and Promoting Graduation

Implications for practitioners: Brazil’s relative emphasis on graduation from poverty vs. graduation from the program leads to distinct policy agendas. Countries may differ in such perspectives, reflecting each society’s perceptions of the poor and social justice.

What is the meaning of “Exit Doors” in the debate in the Brazilian Press?

- Debate focuses on structural investments to promote graduation from poverty...
- **Not** on time limits to force graduation from the program
Main Findings: “What Works Technically, Works Politically” (good policy = good politics)

The Quality of Implementation Matters for Public Opinion

“PERCEPTIONS ASSETS”
- Coverage of the program
- Quality of operating systems
- Credible oversight & controls
- Targeting accuracy & perceptions of fairness
- Conditionalities… when monitored (political role)
- Complementarities with “exit doors”

“PERCEPTIONS LIABILITIES”
- Perceptions of fraud & errors
- Perceived weaknesses in registries (operating systems)
  - Lack of monitoring of conditionalities
- Perceptions of “transfer dependency”

The Balance of Public Perceptions

Media Debate
Main Findings: Virtuous Cycle of Accountability – Interaction of Public Debate & Social Policy

The media will publicize perceived weaknesses in implementation with increased scrutiny, particularly during election periods (political inter-play).

Vibrant Public Debate
(Free press, public, academics, etc.)

Virtuous Circle of Accountability

Government pro-activity & transparency about challenges and advances

Yet the media will also report favorably – with more positive tone -- on Government actions to improve implementation quality (technical interplay).
Bolsa Família, a nova estrela da área social
Zero Hora, October 19, 2003

Bolsa Família não é um incentivo à preguiça
Valor Econômico, January 30, 2006

Bolsa Familia, chave da inclusão
O Povo, November 13, 2004

Bolsa Família: 94,2% das crianças atendidas comem três vezes ao dia
Pesquisa encomendada por mídia
O Globo, June 7, 2006

“A questão dos pobres saiu do campo do clientelismo”, diz Patrus Ananias

Ministro anuncia medidas para apertar fiscalização do Bolsa Família

‘Bolsa Família não tem porta de saída’
Educadora assume amanhã divisa
O Globo, April 10, 2005

Fácil de entrar, difícil de sair
Revista Veja | Brasil
26 de agosto de 2007

‘Fantástico’ denuncia fraudes no programa Bolsa Família

Enfim, o Bolsa Família
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Conditionalities as basic rights

Right:
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Not just a cash handout
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Hypothesis: Conditionalities play a “political role” in garnering credibility, political support for cash transfers

Media Study Results:
• Conditionalities do matter in the press, public debate
  • IF monitored, they are a “political asset”
• Conditionalities contribute to favorable press treatment due to:
  ➢ Long-run impacts
  ➢ Help reduce perceptions of assistencialismo
  ➢ Conditionalities help boost the political legitimacy of cash transfers
Why CCTs Popular: Theory #2: Proven Impacts – Poverty & Inequality

Historical impact on **inequality**: % of the reduction in Gini (2003-08):

<table>
<thead>
<tr>
<th>BFP</th>
<th>BPC</th>
<th>Pensions</th>
<th>Gini fell from 60 to 54</th>
</tr>
</thead>
<tbody>
<tr>
<td>15%</td>
<td>11%</td>
<td>27%</td>
<td></td>
</tr>
</tbody>
</table>

Important impact on **extreme poor**: % of reduction in XP (2003-08):

<table>
<thead>
<tr>
<th>BFP</th>
<th>BPC</th>
<th>Pensions</th>
<th>Headcount Index (P0)</th>
</tr>
</thead>
<tbody>
<tr>
<td>17%</td>
<td>12%</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>35%</td>
<td>18%</td>
<td>16%</td>
<td>Poverty Gap (P1)</td>
</tr>
<tr>
<td>47%</td>
<td>22%</td>
<td>17%</td>
<td>Severity (P2)</td>
</tr>
</tbody>
</table>

For relatively **cheap “price tag:”** Government outlays as % GDP:

<table>
<thead>
<tr>
<th>Pensions</th>
<th>Of which, 40% are tax-financed subsidies (deficit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>10%</td>
<td></td>
</tr>
</tbody>
</table>

BFP = 0.4%; BPC = 0.5%

Source: various evaluations
Summarized in World Bank August 2010 (PAD APL2)
Why CCTs Popular: Theory #3: Technical + Impacts => Votes

- At municipal level
- Voters were more likely to re-elect incumbent mayors when they were perceived as managing CCT program effectively:
  - If had higher coverage
  - With higher targeting accuracy (perceptions of lower errors of inclusion)
  - If had established local social controls council
  - In municipalities with higher impacts

*Statistically significant results from Brazil’s 2004 municipal elections, controlling for other factors, for sample of 261 randomly-selected municipalities in Northeast. World Bank study by de Janvry, Finan, Sadoulet, Nelson, Lindert, de la Brière, and Lanjouw (2005) and subsequent paper by de Janvry et. Al. (2006)
Why CCTs Popular: Theory #3: CCT => Political Support for Lula

What has Lula done well in Office? FIRST MENTION
(IPSOS September 2007)

- Bolsa Família: 43%
- Economic Stability: 20%
- Helping the Poor: 10%
- Modernizing the Country: 3%
- Other: 2%
- Pro-Uni: 1%
- Jobs: 1%
- Increasing Minimum Wage: 1%
- Increasing Exports: 1%
- Fighting Corruption: 1%
- Nothing: 8%
- Don't Know: 10%

(all mentions = 54% for BFP, with “helping the poor” 2nd place at 31%)
Why CCTs Popular: Theory #3: CCT => Political Support for Lula

What has Lula done badly in Office (FIRST MENTION) (IPSOS September 2007)

- Don't know
- Nothing
- Other
- Safety
- Unemployment
- Lack of attention to education
- Lack of investments in
- Lack of attention to health
- Air Crisis
- Corruption

Opinion Polls

(all mentions = 54% for BFP, with “helping the poor” 2nd place at 31%)
Why CCTs Popular: Theory #3: CCT => Political Support for Lula

Lula as "Teflon President":
Ranking of "What Lula did good/bad in Office"
(IPSOS September 2007)

- Main Good = Bolsa Familia
- Main Bad = Corruption
- "Nothing good"
- "Nothing bad"

More consensus about what he did well (BFP) – even among the upper classes

Yet BFP is very well targeted to the poor (few non-poor receive direct benefits)
Why CCTs Popular: Theory #3: CCT => Political Support for Lula

• Other empirical evidence of the “political dividend” of the Bolsa Familia Program:
  – Cesar Zucco (Princeton University, 2009, 2010):
    • Municipal level data on voting patterns
    • Modeling techniques to separate direct and indirect effects of program
    • Finds that the BFP contributed to President Lula’s re-election in 2006 with estimate 5 million additional “pro-Lula” votes
    • Finds similarly strong effect in 2010 for President-Elect Dilma (same political party)
  – Hunter and Power (Spring 2007):
    • Find significant impact of BFP on electoral results in 2006 by consolidating voter base (particularly among “swing voters”)
    • BFP = single most important factor in explaining President Lula’s re-election
    • The poor were better off in 2006 than in 2003 and this group exerted the most influence in re-electing him
Why are CCTs So Popular?

- What works technically, works politically
- Voter Dividend (good policy $\Rightarrow$ good politics)
- Proven Impacts, with relatively “cheap price tag”

The Spread of CCTs around the World…