Zero Hunger: President Luiz Inacio “Lula” da Silva’s Bold Reform of Public Assistance in Brazil

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Preface:

This paper topic emerged from my study abroad experience in Manaus, Amazonas Brazil. I had assisted with a study done by PIATAM, the environmental arm of the national oil company Petrobras. I assisted in conducting socio-economic surveys in two riverside communities in the interior of the state of Amazonas, and learned much from the stories of the people I met. Over and over again, I heard families talking about receiving “Bolsa Familia,” which was explained to me as similar to our welfare system in the US. My research at that time went in a different direction, but for this senior capstone I was drawn back to the idea of Bolsa Familia and the program in charge of it: Fome Zero. I wanted to learn more about the program, and the impacts it has had on the people living in Brazil in the same circumstances as those I had met during my research.

Introduction:

When former factory worker Luiz Inacio “Lula” da Silva won the Brazilian Presidential Election in October of 2002 with 53 million votes, he saw a great opportunity to implement widespread change throughout Brazil. Despite being the fifth largest country in the world, Brazil has a relatively high level of social and economic inequality, with a Gini Coefficient of 60.7 in 1998. At this time only three other countries had higher levels of income inequality: Sierra Leone with a Gini Coefficient of 62.9, Swaziland with 60.9, and the Central African Republic with 61.3. This immense inequality translates into lack of food availability and food insecurity for much of the impoverished population. In 2003, Brazil had a population of 175
million people, with a GDI per capita of US$ 7,265, but with 46 million people living below the $1 per day poverty line.

Because of Lula’s working class background and his passion for the people of Brazil, he implemented a new government program, “Fome Zero” (Zero Hunger), in the hopes of eradicating hunger for all people in Brazil. According to Eduardo Matarazzo Suplicy, who was a Sao Paulo Senator at the time of its implementation, Fome Zero’s goal is to “promote production and distribution of quality food in a sustainable base, so as to promote social inclusion, food, and nutritional education” (Suplicy pg. 1). Although a variety of anti-poverty programs existed before Lula took office, he felt strongly that those programs should be coordinated and unified into one program with one consolidated funding source (Suplicy 9).

Fome Zero consolidated those existing programs and created some new ones under four main branches. Each of these branches includes numerous sub-programs targeted at ultimately eradicating hunger in Brazil. Fome Zero coordinates with 13 different governmental organizations to provide over 25 different sub-programs. This ambitious program is the largest anti-poverty program in Brazil’s history, and strives to improve the key areas of health, education, work, food supply, social development, agrarian development, and family agriculture. In its inaugural year, the Federal Government budgeted R$1.8 million for the execution of these programs (Suplicy 4). Though the program has seen some success and reached many impoverished families, its extremely widespread focus on so many different subprograms has weakened its overall effectiveness.
This paper seeks to better understand the existing programs that comprise Fome Zero and how the current programs have positively impacted the impoverished in Brazil. Because of the program's weaknesses, this paper also seeks to explore potential methods for improving the program's effectiveness in reaching its intended goal of eradicating hunger in Brazil.

**Inequality in Brazil Before Fome Zero:**

“Brazil is not a poor country but an unequal country with a large poor population”

*(Social Exclusion pg. 8)*

According to the United Nations’ Human Development Report, Brazil is considered a “medium human development” country. The Human Development Index (HDI) is a complex measure of a country’s state of development that incorporates measures of health and education in addition to income characteristics *(UNDP pg. 21)*. In 2003, it had an HDI of 0.792, ranking 63rd overall. This is slightly below the average for all of Latin America and the Caribbean (LAC), which had an average HDI of 0.797 *(UNDP pg. 220, 222)*. Brazil’s life expectancy was 70.5, lower than the LAC average of 71.9, and Brazil had an 88.4% adult literacy rate, again lower than the LAC average of 89.6%. It also had a GDI per capita of $7,790, which is higher than the LAC average of $7,404 in 2003. Brazil’s HDI has been steadily increasing since the 1970s *(UNDP pg. 220, 222, 224)*. As a further reference point, the US had an HDI of 0.944 in 2003, ranking 10th. Life expectancy was 77.4 years, the adult literacy rate was considered 99%, and the GDP per capita was $37,562 *(UNDP pg. 219)*. Brazil is relatively close in these measurements to the rest of LAC,
but is still far from the standards afforded in the US. Unfortunately, there is more to
the story of Brazil than just these averages. In 1998, Brazil was home to 50.1 million
poor individuals, with 13.9% of the population qualifying as the extreme poor
(living on less than $1/day/person), and 32.7% of the population qualifying as poor
(living on less than $2/day/person). At this time, the average per capita GDP in
Brazil was 4.3 times that upper poverty line (Social Exclusion pg. 9). Even more
shocking, in 2001, “the wealthiest 1 percent earn[ed] more than the poorest 50
percent” of the population (3, pg. 3). Because of this inequality of resources, Brazil
generally has a Gini coefficient of 0.58-.060, which remains “fairly constant over
time” (Social Exclusion pg. 3). Brazil is not only unequal in income, but also in
health. As of 1996, the poorest 20% of the population had only 71% of all births
attended by a health professional, compared with 98.6% of births for the richest
20%. Mortality rates for children under 5 for the poorest 20% was 98.9/1000,
which is over twice the rate for the richest 20%, at 33.3/1000. A similar situation
existed for infant mortality: 83.2/1000 live births for the poorest 20% compared to
28.6/1000 for the richest 20% (UNDP pg. 234). As of 2001, the richest 20% had a
63.2% share of national income, compared to the poorest 20%’s meager 2.4%
(UNDP pg. 271). It is easy to see how health and wealth can be so connected with
such huge inequalities. In the base year for Fome Zero, 2003, 8.2% of individuals in
Brazil were living under the $1/day poverty line, and 22.4% of individuals were
living under the $2/day line (UNDP pg. 227).

Lula’s History:
Lula took such a keen interest in the lives of the impoverished in Brazil largely because of his own background. He was born on October 27, 1945 in Garanhuns, Pernambuco, the seventh child in a poor family. His home had no electricity, was dependent on well or stream water, had a wooden roof, and cement and earthen floors (Bourne 2). Lula’s father left his family to start a second family with his wife’s cousin. Although he did send back money, he did not visit often, and did not even meet his son until he was 3 years old (Bourne 3-4). In 1952, at the age of 7, Lula moved to the city of Sao Paulo, where he and his siblings worked in order to make ends meet at home. His father did support them somewhat, but favored his second family, and could be a violent alcoholic at times (Bourne 4-5).

Lula’s highest educational attainment was a two-year industrial training program, SENAI. Although he is often criticized for not completing high school, the entrance requirement for this program “was equivalent to that of a good high school” (Bourne 13). Through this program he learned to operate a lathe and began working in a screw factory. In 1969, he both married and began his involvement with workers unions (Bourne 19-21). Sadly, in 1971, his wife and son died during childbirth due to poor medical care. This served as an impetus for wanting better healthcare for the poor, and also helped him see the “importance of social assistance work for the union” (Bourne 24-25). His involvement with the unions culminated with his presidency of the Sao Bernardo metalworkers union in 1975 (Bourne 27). His main focus remained workers’ rights, and because of this. “The real importance of the industrial campaigns spearheaded by the Sao Bernardo metalworkers from
1977 to 1980 was in the raising of consciousness, rather than in the raising of wages” (Bourne 45). Lula found his first national cause during this time period, because he was concerned with workers' rights, an issue of social justice and fair wages (Bourne 35-36).

Lula’s next big accomplishment was helping to found the new worker’s party, PT (Partido dos Trabalhadores), a new political party designed to emphasize the rights of Brazil’s working class (Bourne 49). The first proposal for the PT was launched in 1979 at the Sao Paulo metalworkers congress, and it received formal recognition in February 1980 (Bourne 51-52). By June of 1981, the party boasted 200,000 members (Bourne 53). The struggle for political power for the PT was a long road, but it had noble goals aimed at improving the quality of life for working Brazilians. From the beginning “it wanted to end the [military] dictatorship, to end hunger, to provide land and better wages for rural workers, to promote better health and less profit from illness, to define access to education and culture as a right, not a class privilege, to promote equality and an end to discrimination,” as well as an end to the corruption plaguing the current administration (Bourne 57). Within the first decade of the party’s existence, Lula made his first attempt for the Presidency of Brazil in 1989(Bourne 70). He did not win the election then, nor in his second attempt in 1994 or his third attempt in 1998 (Bourne 75, 86, 95). Lula’s passion for the people of Brazil and improving their quality of life drove him to run again in 2002, where he first pledged to start Fome Zero. Lula won the election with
52,788,428 votes, and became President of the fifth largest country in the world (Bourne 99, 101).

**Previous Programs:**

Several federal assistance programs did exist to help the impoverished before the establishment of Fome Zero, but they did not reach the scope and magnitude of the current program. These programs include the Family Wage, which was established in 1963 and revised in 1998 and gives R$ 11,26 per child under 14 for families of unemployed individuals making less than R$ 468,47/month (Suplicy 5). The government also had an existing pension program, unemployment insurance, and another emergency assistance program, “Bolsa Renda” (Suplicy 5, 6). This program provides R$ 30,00/month for agricultural families in areas of “public calamities or emergency situations” for the duration of the emergency (Suplicy 5). Additional programs include the Continuous Social Benefit, which provides families with elderly, “special needs” or “physically impaired” individuals a stipend of R$ 200,00/month if the family makes less than ¼ of the minimum wage. In 2002, this program alone reached 1.3 million “invalids” and 740,000 elderly (Suplicy 5). The Program to Eradicate Child Labor was established in 1996, and targeted children ages 7-14 who were working because their families made less than ½ minimum wage. This program provided R$ 25 for rural families, and R$ 40 for urban families to keep their child from working (Suplicy 4-5).
Another program targeting children was the conditional cash transfer (CCT) program Bolsa Escola, implemented in 1997 and expanded in 2001, which was designed to encourage school attendance. For families with children ages 6-15 who had an income of less than R$90, the government would pay R$ 15 to keep one child in school, R$ 30 to keep 2 children in school, and R$ 45 to keep 3 children in school (Suplicy 5). Because of rising fuel costs, Brazil established a Gas Help Program in 2002 to help with home heating costs. It provided R$15,00 every 2 months to families making less than half of minimum wage who also were enrolled in the Bolsa Escola program or the “Unified Register for all Social Programs” (Suplicy 5). In short, Brazil already had a wide variety of aid programs before Lula’s campaign for Fome Zero, but his main idea was that the programs should be consolidated and unified into one program with funding consolidated into one fund (Suplicy 9).

The Birth of Fome Zero:

Lula’s ultimate goal for Fome Zero is food security for the poor: the 46 million people living on less than $1/day when he took office (Suplicy 1). The program was designed to “promote production and distribution of quality food in a sustainable base, so as to promote social inclusion, food and nutritional education” (Suplicy 1). These goals echo Lula’s ideals as a younger union president, fighting for the rights of his workers, and project them to an even broader sphere. In 2003, the federal government pledged R$ 1.8 billion towards Fome Zero, with the idea that other agencies and individuals could also contribute (Suplicy 4).
Fome Zero went along with the new philosophy on giving aid. The old format was simply giving families “baskets of basic goods,” while the new format focused on conditional cash transfer programs (Suplicy pg. 4). The basic goal of conditional cash transfers is to break the intergenerational cycle of poverty by targeting children. CCT’s aim to foster “joint responsibility between families and the government, placing the onus on parents to spend cash wisely and ensure attendance at schools and health clinics” (Hall pg. 691-692). These transfers are typically given to the mother of the family, and some parts of the country had “more generous” programs at the state or municipality level (Suplicy pg. 8). Lula grew up poor and hungry and knew that millions of Brazilians lived the same way. Part of Fome Zero’s mission was to ensure food access as a basic human right (Osava).

Lula’s forte is his policy of “social-capitalism,” which is “a marriage between free-market policies and social spending” (Guerrero). Lula’s government remains fiscally responsible while also taking care of the poorest members of society.

As mentioned earlier, social assistance programs did exist during previous administrations, but Lula greatly expanded them. In 2002, during Cardoso’s presidency, social assistance was 5.6% of total social spending, while by 2004, that number had increased to 6.5% of total social spending. This corresponds to funding of R$16.2 billion, or 0.9% of the country’s GDP (Hall pg. 693). Both the World Bank and the Inter-American Development Bank have supported Fome Zero’s efforts through loans of US$ 572 million and US$ 1 billion, respectively (Hall pg. 698). Lula’s efforts to end hunger also included two raises in the minimum wage, which
reached R$ 350 in April of 2006 (Bourne pg. 128). Lula also reactivated CONSEA, the National Council for Food and Nutritional Security, which was established in 1993 but had stopped functioning. This council consisted of a president, Renato Maluf, as well as 19 ministers and 38 representatives to oversee issues of food insecurity (Osava).

Fome Zero became an “umbrella program for existing services,” such as Bolsa Escola, Bolsa Alimentacao, and Auxilo Gas, to name a few (Hall pg. 694-695). Fome Zero coordinates and has expanded the scope of services provided. The program now operates under four main branches: “Food Access”, “Strengthening Family Agriculture”, “Income Generation”, and “Partnership Promotion and Civil Society Mobilization”.

**Food Access:**

This branch strives to secure food access for all Brazilians so that no one should have to go hungry. Key programs in this branch include PNAE, a National School Food Program that provides children in primary school with at least one healthy meal a day in school (“Citizenship” pg. 26). The Food for Ethnic Groups program strives to reach indigenous groups, quilombolas (descendants of runaway slaves), peasants, and “rubbish pickers” – some of the groups most marginalized by society (“Citizenship” pg. 26). Food banks were established under this branch, as well as urban agriculture and community gardens so that low-income communities can produce their own food (“Citizenship” pg. 27). For rural populations in the
semi-arid part of the nation, rainwater cisterns are being created to ensure water access and sustainable living ("Citizenship" pg. 8). Even restaurants are involved in food access: it is common practice in Brazil for workers to eat lunch away from the home, so the Popular Restaurants program ensures that low-wage workers have access to healthy prepared meals at restaurants when they cannot eat at home ("Citizenship" pg. 27). Perhaps because of Lula’s own experience with poor maternal care in the case of his wife, this branch also includes two vitamin distribution programs aimed towards children and new mothers. The Vitamin A distribution targets children aged 6-59 months and new mothers, with a goal of reducing infections and mother/child mortality. The Iron distribution targets children 6-18 months, pregnant women, and new mothers, with the hope of preventing anemia ("Citizenship" pg. 28).

Fome Zero’s “main action,” Bolsa Familia (Family Grant), also falls under the Food Security branch. This program began in January of 2004 as an answer to criticisms after Fome Zero’s first year of operation (Bourne pg. 128). This program unified and expanded four existing programs: Bolsa Escola, Bolsa Alimentacao, Cartao Alimentacao, and Auxilo Gas (Hall pg. 697). The program is a conditional cash transfer of up to R$ 100 per month, that requires school attendance and doctor visits for children in the hopes of promoting health, food, education, and social assistance ("Citizenship" pg. 26, Bourne 128). To receive the grant, families must ensure that children have at least an 85% attendance rate at school. Families must also maintain vaccination schedules, and ensure pre and post-natal care for
expectant mothers and infants (Ministry... 2004-2007). These health provisions were an additional condition nonexistent under the previous “Bolsa Escola” program, which was merely a “School Grant” aimed to keep children in school and not working. While Bolsa Escola reached 3.6 million families in 2003, the expanded Bolsa Familia program reached 11-12 million families by 2006 (Bourne pg. 128). By 2006, the program was funded with R$8.3 billion, comprising 38% of the direct social assistance budget. This number was 2.5% of total government spending, and 0.5% of the nation’s GDP (Hall pg. 693). Bolsa Familia comprised 2.3% of all government direct money transfers, but despite the expansion of social assistance, pensions still accounted for a shocking 82% of direct money transfers (Hall pg. 694).

**Strengthening Family Agriculture:**

Small scale agriculture accounts for 30% of all “cultivated land” in Brazil and produces 67% of all beans, 58% of all pork, and 52% of all milk consumed in the country (Osava). The key program under this branch is PRONAF – the National Program for Strengthening Family Agriculture, which promotes family agriculture in rural areas (“Citizenship” pg. 29). Since 2003, the subsidy available to farmers has increased 400% (Guerrero). This program targets the nation’s eight million small scale farmers, and the 70% of all rural workers who are employed by small farms (Guerrero). PRONAF provides other support measures to aid farmers, including Harvest Insurance, which provides income during a drought for up to 6 months (“Citizenship” pg. 13). PRONAF also provides Family Farm Agriculture Insurance,
which provides 100% loan coverage and 65% coverage for expected liquid revenue, which makes lending more reliable ("Citizenship" pg. 30).

**Income Generation:**

Two key features of this branch include Social and Professional Qualification, and Economic Solidarity and Productive Inclusion. The former promotes increased integration into the job market and higher education for the impoverished, while the latter provides opportunities for micro credit, employment generation, and economic solidarity ("Citizenship" pg. 14, 31). These programs are important for moving beyond just CCTs into a self-sustaining method of income enhancement that breaks the cycle of poverty.

**Partnership Promotion and Civil Society Mobilization:**

The goal of this branch is to help poor families navigate available resources, as well as promote broader civic engagement and activism. For the former, CRAS, the Families’ Houses and Social Assistance Reference Centers, were created to assist families ("Citizenship" pg. 32). This branch sponsors programs such as cooperatives for recyclable materials collectors and micro-credit opportunities ("Citizenship” 31-32). Programs also include social mobilization for education and citizenship, mobilization of social and public agents, encouraging volunteer work and donations, partnerships with private sector entities, and social development councils ("Citizenship” pg. 33-34).

**Results:**
Fome Zero has shown drastic improvements in the quality of life for millions of Brazilians. Chronic malnutrition in children under five dropped from 13% in 1996 to 7% in 2006, although this cannot be entirely attributed to Fome Zero. In the Northeast region of Brazil, where poverty is rampant and Fome Zero is heavily targeted, chronic malnutrition in children under five dropped from 22.1% in 1996, to only 5.9% in 2006, the third year of Fome Zero (Guerrero). This shows that the program is responsible for at least a portion of the health improvements shown during this time. Additionally, the national rate of infant mortality dropped from 39/1000 to 22/1000 during the same period (Guerrero). Because of the program’s perceived success, Lula has had astonishingly high approval ratings, up to 80% overall and 92% in the aforementioned Northeast region (Guerrero). The success of his programs most definitely aided his reelection in 2006 (Bourne).

In 2004, The Ministry of Social Development and Fight Against Hunger (MDS) was established as a merger of two former agencies: the Ministry of Food Security and Fight Against Hunger and the Ministry of Social Welfare (Hall pg. 697). This new body is now responsible for tracking the success of Fome Zero through research and statistical evidence. The MDS reports mainly show results in terms of total money spent and total people reached by Fome Zero programs, but improvements in surveying methodology hold promise for deeper analysis of results. Unfortunately, because the MDS did not exist until 2004, no data exists for the inaugural year of the program, 2003.
The graph below illustrates the increase in the number of beneficiary families and the total benefits awarded (in US dollars) between 2004 and 2005. As we can see, in this one year alone, the program reached almost 2 million more families in 2005 than in 2004 (8,700,445 compared to 6,702,749 respectively) (Ministry... 2004-2005). Additionally, this jump also corresponds to a one billion dollar jump in resources.

(Ministry... 2004-2005)

The next graph illustrates the average monthly number of families receiving benefits in 2004 and 2005, and the average amount each family receives. During this time period, the number of average beneficiary families increased from
4,533,835 to 7,323,375, and the average monthly benefit increased from US$ 23.70 to US$26.60 (Ministry... 2004-2005).

The next two graphs illustrate the total families benefited (first graph) and total resources used (second graph) for the years 2004-2007 in each of five different regions and in total. Both graphs illustrate a steady upward trend in both number of families benefited as well as total resources expended on those families. This increase is most notable in the overall totals, shown in red, as well as the Northeast region, shown in the orange-yellow color. As mentioned before, this particular
region has high levels of rural poverty, and as such, is highly targeted for aid (Ministry... 2004-2007).

(Translation: Benefited Families. Red: All Brazil, Green: North, Yellow-Orange: Northeast, Blue: Southeast, Purple: South, Yellow: Center-West)
Looking at data solely from the Bolsa Familia program, which is Fome Zero’s largest single program, we can tell that the trend in resource allocation and total number of beneficiaries is increasing through the duration of the program.

**Criticisms:**

In its first year of existence, Fome Zero was heavily criticized for its lack of “overall coordination” of all of its independent programs. These programs all had separate administrations, “beneficiary selection processes,” as well as separate monetary resources (Hall pg. 696). The creation of the Bolsa Familia program was
in part to mitigate these problems, but it has not solved everything. Corruption is still a problem in Brazil, and as a result of the corruption and other social or familial pressures, some favoritism and distortion occurs in beneficiary selection for Fome Zero programs. Additionally, the monitoring for the conditional cash transfer programs is sometimes “compromised by local connections and affiliation[s]” (Hall pg. 702). Simply put, in a small community, no one wants to be responsible for another family losing what meager benefits they currently receive, so teachers and others who are supposed to report absences may not actually do so. No one wants to be responsible for an entire family going hungry due to loss of benefits. Additionally, some fear that continued CCTs will spawn dependency. This could be supported by the fact that in 1995, employment earnings made up 89% of household income, while by 2004, that number was only 48%. It is assumed that most of that change is a result of increases in CCTs. Additionally, during that time period, there was no increase in health or education spending, which could also mitigate poverty in a more self-sustaining way (Hall pg. 707). Even the Bolsa Familia program has its own shortcomings: 21% of families enrolled in the program are still considered food insecure (Guerrero). Thus, through Brazil has made progress in the fight against hunger and food insecurity, it still has a long way to go before it can truly eradicate hunger.

**Recommendations:**

My primary recommendation is that Fome Zero should focus more on fostering self-reliance than on continued cash transfer programs. While the aim of
cash transfers is to foster higher education levels and better overall health, which can improve income, money handouts alone cannot solve Brazil’s poverty problems. Brazil has deep-rooted inequalities that must be fully addressed to truly eradicate hunger, like Fome Zero wants. Brazil must get to the root of inequality, and provide not only improved education and health services, but also increased economic opportunities. Although Brazil has greatly increased its spending on public assistance, it has not increased funding for health services. Brazil needs to improve the schools and medical facilities it is sending its children to in order for CCTs to be effective. Brazil must also improve employment opportunities for all adults willing to work.

Additionally, Fome Zero must employ better methods for analyses of program success. Current statistics clearly show increases in funding and coverage for programs offered; however, these statistics do not show the impacts of those programs on the recipients. Moreover, because these statistics were not even collected until 2004, no baseline statistics exist to compare progress to a pre-program level, even if better methodology is employed in the future. Despite this shortcoming, I propose that Fome Zero collect more information on the quantitative and qualitative impacts of its programs on recipients, including improvements in income levels, change in poverty status, changes in education levels and health status, and numbers on how many families are able to leave the programs due to the help that they have received. Such statistics would add weight to the claims of Fome Zero’s success, and also pinpoint additional areas for improvement.
Conclusion:

Under the leadership of a former impoverished factory worker whose dedication and belief in the rights of the Brazilian people earned him the Presidency, Brazil has renewed its dedication to diminishing hunger and poverty for all people in Brazil. Fome Zero has improved the quality of life for millions of low-income Brazilians mainly through cash transfer programs such as Bolsa Familia. Fome Zero has not completely eradicated hunger as it had intended, but Brazil now has the chance to lessen poverty even further by expanding Fome Zero targeting the roots of inequality, as per my recommendations.
Works Cited:


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