

# Latin American Post - The Latin American news publication - Brazils new plan to beat povertyUntitled Document

<http://www.latinamericanpost.com/index.php?mod=seccion&secc=1&conn=6525&/Brazil>

July 21, 2011

Brazil just launched a new, multibillion-dollar program to aid the 16 million Brazilians still living in extreme poverty. The program is the latest in an effort across Latin America to stamp out poverty.

With a monthly stipend that she receives from the Brazilian government, Clemilda dos Santos can now keep the refrigerator stocked for her 10 kids, but life for the family is still precarious. At the top of a red clay hill in Japeri, the town with the lowest human development index in the state of Rio, the one-bedroom home she shares with her whole family still floods with rainwater. Her kids need winter coats.

In the past decade, Brazil has been touted for lifting 25 million people out of poverty, thanks to macroeconomic stability, high commodities prices, and a much hailed social program called Bolsa Familia that gives families monthly cash for families that adhere to conditions such as keeping kids in classrooms. But as the nation continues to rise it became majority middle class in 2008, according to the Rio-based Getúlio Vargas Foundation leaders say they are determined to do more, arguing that packed homes and uncloaked children have no place in today's economic landscape.

Now Brazil has launched another multibillion-dollar antipoverty plan, called Brazil Without Misery, to reach the remaining 16 million Brazilians still living in extreme poverty. Expanding upon Bolsa Familia, it will increase cash transfers, improve public services, and create new job opportunities for the poor. Brazil's new President Dilma Rousseff, who took office in January, says her aim is to eliminate extreme poverty within four years.

A country that has grown like Brazil can't be content with just having a big social program like Bolsa Familia, Social Development Minister Tereza Campello said upon the launch of the new program last month.

## Regional goals

That sentiment reflects rhetoric across the region. Over the past decade, the poor have been buoyed across Latin America, as nations have enjoyed sustained GDP growth and created targeted social programs like conditional cash transfers. But now goals have been set beyond poverty reduction. In the world's most unequal region, presidents from Sebastian Piñera in Chile to Felipe Calderon in Mexico are pledging to eradicate extreme poverty altogether.

There is a sense that with Latin America growing at very high growth rates in the last decade or so, this is an opportunity to have a new social contract with people in the region, says Norbert Schady, senior economic adviser for social sectors at the Inter-American Development Bank.

The region's GDP grew by an average of 2.6 percent between 2000 and 2008, according to the World Bank. Extreme poverty has gone down from 19.4 percent in 2002 to 12.9 last year, according to the United Nations Economic Commission for Latin America and the Caribbean (ECLAC). And 56 million households have joined the middle class in Latin America in the past decade and a half, according to a recent ECLAC analysis.

## Bigger checks, better lives

Conditional cash transfer programs, like the one Ms. dos Santos receives in Brazil, have played an immediate role in poverty reduction. Spearheaded in Mexico and Brazil, the programs have been extended to virtually every country in Latin America today.

They have transformed towns like Japeri, more than an hour ride on a quivering and rusty train from the city of Rio de Janeiro. The town ranks at the bottom of the states human development index, and mothers have long struggled to feed their kids or care for their sick babies. But today some 9,500 families in this town of 95,000 receive the Bolsa Familia stipends.

Marilsa Martins is one of them. Her \$127 monthly check is more than she earns as an embroiderer in a good month, about \$93. The mother of seven shares her own thin bed with four children. Like dos Santos, Ms. Martins will soon be receiving an additional \$190 a month under a complementary state program to Brazil Without Misery.

My hope is to improve even more, to buy a bunk bed, to buy shoes, she says after stirring a pork and pineapple stew sent home by a daughter who works in a restaurant. The new stipend will help her pay off a loan she took out to buy a small clothes wringer for washing. I hope in the name of Jesus that it really comes.

Helping women like Martins and dos Santos is key to the new Brazil, say officials. Coming from the achievements we have had in the last 10 years... it is possible, viable, to define as a goal the overcoming of extreme poverty in the next four years, says Rio de Janeiro State Secretary for Social Assistance and Human Rights Rodrigo Neves.

In Chile, President Piñera has promised to overcome extreme poverty. So has Mr. Calderon in Mexico, where Oportunidades, the nations conditional cash program, has helped millions of Mexicans. In most countries, leaders have promised to expand upon social programs to help the poor.

Politicians are responding, in part, to demands from voters. A case and point is the recent Peruvian elections, where left-leaning Ollanta Humala won the race with support from disenfranchised Peruvians who have been left behind, despite Peru's economy being the fastest-growing in Latin America. He says he wants to expand his nation's conditional cash program called Juntos, meaning "together" in Spanish.

In the beginning of the decade, candidates across the nation railed against inequality. The rhetoric came strongest from the left, led by Venezuelan President Hugo Chavez, who has diverted billions into social programs for the poor. But it has evolved into a promise by the entire political spectrum: support for the poor while maintaining macroeconomic stability, the kind of governance hailed in Brazil and which Mr. Ollanta sought to model himself after.

### **Social programs have their critics**

Some critics claim that the social programs of today are not long-term answers to achieving equality. They require that today's generation of children attend school, but the quality of the education is questionable in the most marginalized areas where social programs are concentrated.

But Brazilian economist Tiago Berriel of the Rio-based Getúlio Vargas Foundation argues that even so, the social programs provide a valuable safety net.

"The degree of poverty we're talking about is people who aren't able to eat," says Mr. Berriel. "So with the country getting richer, it is probable that we are able to eliminate extreme poverty and still have a very high level of inequality [between the rich and poor]."

Christopher Sabatini, editor-in-chief of the policy journal Americas Quarterly in New York, which is published by the Council of the Americas, says that as nations get richer, they need to start improving the quality of social services such as health-care insurance or pensions overall, and not just targeted, cash-based programs that are individualistic.

People are still in very fragile socioeconomic positions, he says. There needs to be a more broad-based social safety net.

Read more: <http://www.csmonitor.com/World/Americas/2011/0707/Brazil-s-new-plan-to-beat-poverty>