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Brazil's welfare programmes drive new middle class

July 21, 2011 6:47 pm by Iona Teixeira Stevens

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Junior is nine years old and lives in Brazil's northeastern state of Bahia. His father gives him R\$1 – the equivalent of only 60 US cents – for lunch per day.

Fortunately, in his hometown of Lauro de Freitas on the outskirts of Salvador, the state capital, that is all you need to get a healthy meal at the *Restaurante Popular* – a canteen run by the municipal government that serves nutritionally balanced and extremely cheap meals aimed at low-income earners, students,

retirees, the unemployed and the homeless, but which is open to everyone.

It is part of the federal government's food security program, called Fome Zero (Zero Hunger), one of the first welfare projects launched by former president Luiz Inácio Lula da Silva in 2003 to tackle hunger and malnutrition – issues that are still a problem in pockets of Brazil.

Today there are 89 “restaurantes populares” in Brazil. The federal government pays for their construction but municipalities run them. And if anybody feels sorry for all those who have to eat there, they shouldn't: beyondbrics ate there and shares Junior's verdict that the meals are “really good”.

“Each meal costs R\$4.80 to the municipality, and we sell it at R\$1,” says Maria de Lourdes Lôbo Ramos, the social welfare secretary at Lauro de Freitas. Serving 3,000 meals a day, Monday through Friday, the restaurant costs the local government the equivalent of \$145,000 a month. That is a fair whack out of the budget for a town of 160,000 inhabitants.

The town's poor residents have other reasons to thank the federal government. Lôbo Ramos says Lauro de Freitas has the highest concentration of families receiving the Bolsa Família, another flagship welfare programme that gives families modest payments in exchange for keeping their children in school.

The town also participates in the federal government's low-cost housing programme, *Minha Casa, Minha Vida* (My House, My Life). These people will in the future become part of the fast-growing “new middle” class of Brazil as described by [Marcelo Neri of the Getulio Vargas Foundation in Rio de Janeiro](#).

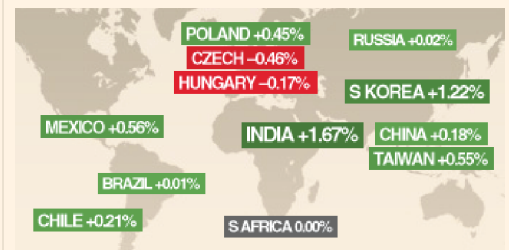
Lôbo Ramos says these programmes have provided the base for Brazil's current prosperity. Now that they have more money, the poor and working classes are spending more in local shops, which helps small and big business, creating jobs for the middle classes. Says Lôbo Ramos: “The tendency is for each class to push the other one up.”

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Yes, they will really develop their economy opening shops to sell imported stuff to folks on imported dole money. Great analysis, FT.

Maybe Junior's father will abandon his job as a minimum wage worker in Sao Paulo to return to the scrubland, where he can play dominoes all day and get money from a plastic card and meals for 1 R\$ a day, sponsored by other people just like him, working their butts off on big cities, far from home, still unable to figure how the system works.

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