

Conditional Cash Transfer Programs for Vulnerable Youth: Brazil's Youth Agent and Youth Action Programs

Analice Schwartz

The George Washington University, USA

Gisleide Abreu

Municipal Government of the City of Campinas, Brazil

Abstract

This article focuses on how Conditional Cash Transfer Programs (CCTs) can improve the lives of vulnerable youth. CCTs aim at reducing poverty and improve human capital development by giving cash to selected beneficiaries with the requirement that they fulfill certain conditions such as attending school regularly. The article provides an overview of CCT programs globally and then turns to implementation of two specific CCT programs in Brazil, the Youth Agent (*Agente Jovem*) and the Youth Action (*Ação Jovem*) in the city of Campinas, Brazil. These “complementary” CCT programs have been designed to address the needs of the youth after they “graduate” from other social assistance programs. Benefits and challenges will be discussed from the perspective of the municipal administration. While these experiences may not be fully replicated elsewhere, the example of these programs may contribute to the knowledge on how CCT types of programs can be a useful tool for governments to make education and training more affordable, with the aim of helping vulnerable youth escape risky environments, achieve social inclusion, and attain economic independence.

Introduction

Increasingly, Conditional Cash Transfer (CCT) programs are being used to reach vulnerable¹ youth in developing countries. Here we focus on experience in Brazil. CCT programs are demand-side interventions that provide money to poor families, on the condition that families “invest” in human capital by attending school, for example, or seeking health care. (Rawlings & Rubio 2005) Though CCT programs did not originally target youth, complementary programs anchored in existing CCT programs for children and families have been introduced as the needs of youth have become clearer. Vulnerable populations continue to need support after losing eligibility (because of age or completion of basic education). By

¹ Vulnerability as defined by the World Bank “denotes a condition characterized by greater risk to and reduced ability to cope with shock or negative impacts. It may be based on socio-economic condition, gender, age, disability, ethnicity or other criteria that influence people's ability to access resources and development opportunities. Vulnerability is always contextual, and it must be assessed in the context of a specific situation and time. Good practice indicates that interventions should assess vulnerability, and target interventions to reduce risk for the vulnerable”. (World Bank Glossary)

targeting the very poor, CCT programs have raised awareness of the special needs of youth previously “invisible” in formal social assistance systems. Brazil’s Youth Agent and Youth Action are examples of complementary CCT programs created to foster social inclusion among most disadvantaged youths, helping them to return to school, receive job training and take part in other community development activities.

The article begins with an overview of the context in which CCT programs have been designed, and the known impacts internationally. It describes the two main CCT programs in Brazil, the former *Bolsa Escola* and the more comprehensive *Bolsa Familia*. The next section describes existing complementary CCT programs aimed at youth, focusing on two programs implemented in Campinas City, Brazil. The article concludes with implications for future programs addressing vulnerable youth.

Overview of Conditional Cash Transfer Programs

Conditional Cash Transfer (CCT) programs represent a relatively new approach to social assistance by fostering demand-side use of social services. CCTs are aimed at complementing, not replacing supply-side interventions. (Legovini & Regalia 2001) CCTs often focus on schooling and health services. Research has found that even when services are supplied, they may be too costly for the very poor. Demand-side interventions, besides helping to make these services affordable for low-income families, motivate them towards changes in behavior to improve their health and education. Such interventions can also increase pressure on providers to improve access and quality of public services (de la Brière & Rawlings 2006) Of course demand-side programs only work if the supply side works sufficiently well. (de Janvry & Sadoulet 2005) Still, CCT programs are one of a number of strategies in a broad poverty reduction plan to address constraints facing the poor in accessing assets and services.

The main features of CCT programs are transfer of cash to targeted beneficiaries, a required counterpart to receive the cash benefits, and decentralized administration. Beneficiaries are chosen through a targeting system that identifies the poorest households, usually with children of school age. The family receives a certain amount of cash provided their children enroll and stay in school, and often participate in health checkups and workshops.

There are several rationales for CCT programming. First, in locales with few fiscal resources and where universal coverage is not feasible, CCT programs are one way to allocate scarce funds efficiently to social programs. CCT programs also help compensate for the historical exclusion of the poor from most social programs. Finally, CCT programs develop human capital among the poor where health and education deficits are highest. (Lindert 2005) Despite these shared goals and characteristics, CCT programs vary in terms of design, targeting system, and required conditions. To illustrate this, Table 1 presents a sample of CCT programs implemented in Latin America. Looking at the table, several observations can be made: While most of the earlier Brazilian programs focused on education, others

have worked in both health and education. Each program targets a particular age group to be covered, usually school age children. Depending on country context and capacity, different income criteria are used to target potential beneficiaries.

While evaluations have generally shown positive results, program implementation has often not been well coordinated. Typically each program maintains its own beneficiary registry and administration, resulting in duplication of effort and cost. (World Bank 2004) In 2003, the newly-elected government of Brazil, after reviewing these social programs, decided to develop an integrated approach to protection and the creation of behavioral incentives focusing on the family unit. *Bolsa Escola*, *Bolsa Alimentação* together with other subsidies (*Auxílio Gás* - Cooking Gas Subsidy - and *Cartão Alimentação* - Food Card) were consolidated into a single cash transfer program, *Bolsa Família*, which became the basis of Brazil's reformed social protection system. The rationale for integration was to avoid duplication of services, foster better coordination, expand coverage, and achieve greater efficiency and transparency.

Table 1. Conditional Cash Transfer Programs in Latin America

| Program | Objectives | Component (type) | Target population | Conditionality |
|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| <i>Bolsa Família</i> (Brazil, 2003) | Reduction of poverty and inequality in short and long term | - Education - Health - Nutrition | Families with children in extreme poverty, with monthly income per capita below R\$ 100 | - School attendance - Family health-care calendar (inoculations & periodic visits to health centers) |
| <i>Bolsa Escola</i> (Brazil, 1995-2003) | Extending permanency in primary and secondary education, and prevention of child labor | - Education | Families with children in moderate poverty, with monthly income per capita below R\$ 90 | - 80% - 85% school attendance |
| <i>Bolsa Alimentação</i> (Brazil, 2001) | Reduction of child mortality and under nutrition, and linkage to health-care system among families at nutritional risk | - Health - Nutrition | Families with monthly per capita income below half of the minimum wage, with pregnant or nursing women, and children under six years of age at nutritional risk | - Attendance at prenatal & nutritional health check-ups, immunizations & child development |

| | | | | |
|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| <i>Programa de erradicação do trabalho infantil</i> (PETI) (Brazil, urban since 1999) | Elimination of worst forms of child labor, including those that represent health danger, in rural, urban areas | - Education | Children between 6 and 15 years of age, belonging to families with monthly per capita income of up to R\$ 90 | - 80% school attendance. - Participation in extended school day |
| <i>Familias en Acción</i> (Colombia, 2001) | Protection and incentives for human capital formation among children from 0-17 in poor households, through support for family investments in health, nutrition, education | - Education - Health - Nutrition | In urban areas, children between 10 and 14 years of age involved in prostitution, drug trafficking, refuse collection and street trade | - 80% school attendance - Attendance at health-care centers for child growth & development check-ups |
| <i>Programa de Asignación Familiar</i> (PRAF) (Honduras, 1990) | Increase in human capital among children from poor families, to help break poverty cycle | - Education - Health - Nutrition - investment on supply side | Poor families with: - children between six and 12 years of age that have not completed the fourth grade of primary school - children under three years of age - disabled children up to 12 years of age - pregnant women - adults over 60 years of age | - Maximum of seven days ⁱ absence from school - Attendance at health centers |
| <i>PROGRESA-Oportunidades</i> (Mexico, 1997) | Increase capacity of families living in situations of extreme poverty, through human capital investment in education, nutrition & health | - Education - Health - Nutrition (multidimensional) | Families below the poverty line (18.9 pesos per day per person in rural areas and 24.7 pesos per day per person in cities), with children 8 to 18 years of age enrolled in primary or secondary education, children who are breastfed age 4 to 24 months, children 2 to 5 years of age suffering from under-nutrition, pregnant and nursing women | - 85% school attendance - Visits to health centers - Attendance at health & nutrition workshops |

Source: Selection by the author of programs and components adapted from CEPAL (2006) and the Ministry of Social Development and Fight Against Hunger, Brazil

CCT programs usually form part of a country's strategy to provide social safety netting and reduce poverty. They are generally introduced as part of a reform of social assistance systems. In Mexico, for example, *Progresa* and its successor program *Oportunidades* were introduced as part of a major reform of social assistance programs, replacing shorter-term, less well-targeted programs such as tortilla subsidies. Likewise Jamaica's *PATH* and Brazil's *Bolsa-Família* were introduced to replace or consolidate an existing array of income transfer programs, while improving targeting and cost-effectiveness. In Colombia, *Familias en Acción* was introduced as a cornerstone in a new safety net strategy designed to protect the poor during the worst recession in 70 years. (de la Brière & Rawlings 2006, p. 9) The growth of CCT programs in developing countries, particularly in Latin America, can be explained by the successes of early programs in reducing poverty and improving human capital among the poorest.

Impacts

The best evidence of the impact of CCT programs comes from evaluations of Mexico's *Progresa* (later renamed *Oportunidades*), in which evaluation was structured into program design. CCT programs (see Table 2) have shown positive effects on school enrollment and attendance (Schultz 2004; Behrman, Sengupta & Todd 2001; Attanasio *et al* 2005), improvements in the health of beneficiaries (Behrman & Hoddinott 2000; Gertler 2000), and increases in food consumption. (Hoddinott & Skoufias 2003; Maluccio & Flores 2005) Research shows that program effects are larger when transfers are "conditioned" on certain behaviors (e.g. school enrollment) (Schady & Araujo 2006) and for beneficiaries with the greatest needs, as for example, children whose mothers had the least schooling. (Hernández, Orozco & Sotres 2000) CCT impacts go beyond the program's beneficiaries, including linkage effects in the local economy (Coady & Harris 2001), multiplier effects through self investments (Gertler, Martinez & Rubio, 2006), spill-over on the non-poor (Bobonis & Finan 2005), and protection against economic shocks. (Maluccio & Flores 2005; de Janvry, Finan, Sadoulet & Vakis 2005)

In particular, evaluations show that CCT program substantially increase utilization of health services. (Gertler 2000; Hernández *et al.* 2000) The impact on child labor, however, appears to depend on country context. For example, in Brazil, increased school enrollment due to *Bolsa Escola* programs did not automatically translate into reductions in child labor. This could be due to a short school day, with children managing to attend school and do some work at the same time. Programs such as *PETI* and *Oportunidades* that included organized after-school activities have attempted to address this issue. Ultimately, overall impacts also depend on the availability and quality of services available to beneficiaries. In addition to conditionalities, another key to the relative success and large coverage of programs such as *Progresa-Oportunidades* in Mexico and *Bolsa Familia* in Brazil is the political consensus that led to consolidation and coordination of previously dispersed social assistance programs. (Villatoro 2005)

Table 2. Evaluation Indicators and Impacts of Selected CCT Programs

| | Education Indicators | Health and Nutrition Indicators | Child Labor Indicators |
|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>PROGRESA—Oportunidades</i> (Mexico) | <ul style="list-style-type: none"> - decrease in drop-out rates, particularly from primary to secondary education; - no effect on already high enrollment rates; - increased rate of school progress for all ages | <ul style="list-style-type: none"> - reduced stunting for rural children 2-6 months old - reduction in maternal and infant mortality in selected municipalities - increase in the use of rural ambulatory services | <ul style="list-style-type: none"> - reduction in child labor with better results in rural areas (15-25% reduction in labor force participation for boys) |
| <i>Bolsa Escola</i> (Brazil) | <ul style="list-style-type: none"> - improved school Attendance | | <ul style="list-style-type: none"> - mixed results on impact on child labor |
| <i>PRAF II</i> (Honduras) | <ul style="list-style-type: none"> - decrease in grade repetition (from 20% to 13%) - increase in enrollment rates (from 82 to 85%) | <ul style="list-style-type: none"> - increase in percent of children with updated vaccination - significant increase in pre-natal care & children health check-ups - no impact on food consumption | |
| <i>Familias en Acción</i> (Colombia) | <ul style="list-style-type: none"> - increase in school attendance with higher impact for children aged 12-17 | <ul style="list-style-type: none"> - reduced stunting in young children - average food consumption higher in treatment groups - increase in food expenditures in rural areas | <ul style="list-style-type: none"> - time at school reflects reduction in domestic work for girls |

Source: Developed by the authors based on Attanasio et al. (2005), Hoddinot & Skoufias (2003), Cardoso & Souza (2004), Behrman & Hoddinot (2000), and Schultz (2004).

While information on the impacts of CCT have been widely disseminated and used to support CCT programs in different countries, not all aspects may be replicable nor is it necessarily so that different aspects of the program will work as intended with different populations (e.g. indigenous, youth) or in different settings (urban vs. rural). The decentralized implementation of CCT programs in Brazil generates challenges and outcomes influenced by the local context.² (de Janvry, Finan, Sadoulet, Nelson, Lindert, de la Brière & Lanjouw 2005) Information of the success of CCT in different contexts may provide valuable insights

² A study of the variation of implementation of Bolsa Escola and Bolsa Familia in 261 municipalities in the poorest region of Brazil, the Northeast, showed a wide variation on the criteria for beneficiary selection, differences in monitoring and in required conditionalities and indicated certain political aspects that may have influenced how the program was implemented (de Janvry et al. 2005). While results may not be applied elsewhere in Brazil, findings underscore the need for knowledge of implementation issues that may arise, in order to plan better.

on how these programs can best help more vulnerable populations in different circumstances.

Examination of the two main CCT programs in Brazil, *Bolsa Escola* and the now more comprehensive *Bolsa Família* will provide a better understanding on how CCT programs have evolved to serve a wider range of beneficiaries, including vulnerable youth.

Evolution of CCT Programs in Brazil

The economic crisis in the 1990's made more urgent the need to address the needs of the poor. The *World Bank Development Report 1996* showed Brazil as having one of the most unequal distributions of income in the world: the top 10% of the population captured 51.3% of GDP, while bottom 40% received only 4% (World Bank 1995). In none of the other 85 countries surveyed did the richest 10% receive more than 50% of their country's GDP.

To the extent that the poor had not benefited from the country's development gains, it became increasingly difficult for low-income families to send their children to school. The Brazilian Institute of Geography and Statistics, IBGE, noted that in 1995, there were 7.7 million children between 10 and 17 years old working, nearly 30% of the total cohort. In addition another 447,000 children 5-9 were working an average of 16 hours a week, with many children 15-17 working 40 or more hours a week (Suplicy & Buarque 1997). Many of these children have few chances to complete their education, which may be their only chance to escape from poverty.

In this context and preceding the establishment of *Bolsa Escola* in 1995, there were discussions about whether the government should provide all citizens with a minimum income as a matter of right. Senator Eduardo Suplicy had proposed a law for a Program of Minimum Income which was approved in the Senate in 1991 (but waited four and a half years for Congressional approval). With various additions and changes the program was approved in 1995 to provide cash to low-income families provided they sent their children up to 14 years old to school. *Bolsa Escola* and similar income transfer programs were first implemented in Campinas, in the Federal District and then rapidly expanded to municipalities around the

Table 3. Evolution of Income Transfer Programs of Brazil's Federal Government

| Year of Implementation | Program | Number of Beneficiaries in 2005 |
|------------------------|----------------------------------------------------|---------------------------------|
| 1996 | <i>Benefício de Prestação Continuada</i> | 2.4 million beneficiaries |
| 1996 | Program for the Erradication of Child Labor - PETI | 930,000 children |
| 1996 | Youth Agent - <i>Programa Agente Jovem</i> | 63,000 youths |
| 2001 | <i>Programa Bolsa Escola</i> | 2.3 million families |
| 2001 | <i>Programa Bolsa Alimentação</i> | 36,000 families |
| 2002 | Cooking Gas Subsidy- <i>Auxílio-Gás</i> | 4.3 million families |
| 2003 | Food Card - <i>Cartão Alimentação</i> | 99,000 families |
| 2003 | <i>Bolsa Família</i> | 7.3 million families |

Source: Ministry of Social Development and Fight Against Hunger, Brazil

country. Table 3 list the various income transfer programs implemented in Brazil after the start of *Bolsa Escola*.

Based on evaluations in Brasilia and Recife, which showed strong increases in school enrollment and beneficiaries' income (Barbosa & Lavinias 2000), *Bolsa Escola* became a Federal Program in 2001, rapidly expanding to other cities. The program paid a monthly stipend of R\$15 (around \$5) per child between the ages of 6 and 15 (up to R\$45) to families with per capita monthly incomes below R\$90. In exchange, the mothers of those families had to commit to keep all their children in school (Souza 2005). In October 2003, these programs were restructured and included in the *Bolsa Família* Program, a single cash transfer program now considered the largest CCT program in the world. While retaining the main goals of poverty reduction and human capital development, the *Bolsa Família* program has introduced several innovations: (1) the family unit as the entity receiving the benefit and bearing the responsibility of meeting program's requirement; (2) decentralized partnerships with states and municipalities; and (3) the use of Unified Registry of Social Programs (*Cadastro Unico* or *CadUnico*) as a tool for policy planning and administration (World Bank 2003).

As a result of expansion, *Bolsa Família* has encountered new challenges. Improvements are needed in terms of following up with beneficiary families and articulating public policies according to families' needs, for example, the coordination between *Bolsa Família*, the Social Service Centers (Centros de Referência de Assistência Social), and the *PETI* program (Ministry of Social Development and Fight Against Hunger, 2005). Complementary CCT programs such as Youth Agent and Youth Action discussed later in this article are also part of such emergent new policies.

Unlike *Progesa* in Mexico, CCT programs in Brazil have not been thoroughly evaluated. The few available empirical studies are based on *ex-ante* and *ex-post* program designs. Bourguignon, Ferreira & Leite (2002) focused on potential impacts of changing program design *ex ante* on two dimensions of the *Bolsa Escola* program, the occupational choice (or time allocation) decisions of children, and the effects on current poverty and inequality. The second study from Cardoso & Souza (2004) investigated the *ex-post* impact of *Bolsa Escola* on school attendance and child labor. Both studies showed the program having a positive impact on school attendance. This is supported by a preliminary study of impacts of *Bolsa Família* by Azevedo and Heinrich (2006) that concluded that the stipend makes a difference of 11.5 percent in school enrollment among families in the lower income deciles.

It is important to emphasize that the financial incentive to attend school are not extended to children after basic education (8th grade) and that the program calculates the age group of beneficiaries as if they all have progressed through the system without repeating a grade and without dropping out and later returning to school. Thus, while both *Bolsa Escola* and *Bolsa Família* cover children up to 15 years of age, there are still many children older than 15 who are still enrolled in basic education or who have dropped out earlier but because of their age cannot receive financial support for a second chance. This situation has left a substantial gap

in social assistance programs for the most disadvantaged youth. While *Bolsa Familia* itself has not expanded to include youth from beneficiary families, other CCT programs have been created at the federal, state and municipal levels to address the urgent needs of youth suffering from violence and lack of opportunities, mainly in overgrown urban areas.

Challenges of Vulnerable Youth in Brazil and Campinas

Brazil is one of the youngest nations in the world. In 2002 there were 48 million 15-29 year olds in Brazil (IBGE 2002). Though youth account for 30% of the population, very few social policies target the 15-17 age group. Youth at this age are especially vulnerable to drug trafficking, drug use and violence, particularly those living in poverty, and excluded from educational and labor opportunities (World Bank 2006).

Low levels of education and poverty are the main factors disadvantaging poor youth and placing them at risk of social exclusion. Completing education in a violent and deprived environment is particularly challenging. Most children, even from the poorest populations, manage to start school, yet a great number of them drop out before completing basic education. While access in Brazil is universal, only 84% of students managed to finish 4th grade and only 57% will complete basic education at the 8th grade level. At the secondary level, completion decreases drastically with only 37% of the Brazilian youth completing school. This “funneling” is also economic: in the first year of basic education, two thirds of the cohort comes from the poorest segments of society, while only 5% of the poorest students earn a higher education diploma (IPEA 2006).

In Brazil, economic reasons drive children away from study, forcing them to start work early. The average age of students finishing 8th grade is 16; at least 60% of these students juggle school and work. In 2000, for example, 55% of secondary students attended evening courses.(IPEA 2006) any of these students will have to interrupt their studies, returning to school, if at all, much later. Many who want to continue are unable to profit from “second chance” programs.³

The IBGE Census from 2000 showed that the city of Campinas had 270,835 youth from 15 to 29 years old of a total population of 969,386. Campinas, like many other large urban centers, has experienced a rise in crime, with disadvantaged youth most affected.⁴ Homicide rates, for example, are highest among youth in low-income areas.

CCT programs are one tool to address the challenges of vulnerable youth. Heinemann and Verner (2006), after reviewing the literature on crime and violence in Latin America concluded that to reduce inequality and the violence it generates, interventions should be

³ According to some estimates, approximately 120 million individuals in Brazil would not be proficient enough to access and follow technical/vocational courses even if these were offered free of charge (IPEA 2006).

⁴ Data from the Municipal Secretariat of Health have shown that from 1985 to 2005, there had been an increase in homicide, with the highest impact for young males, especially young adults from in the 15 to 24 and 25 to 34 age group (Source: Datasus/MS 1985-2003, SIM/SMS, Campinas 2004-2005).

Table 4. Income Transfer Programs in Campinas, Brazil

| Program | Target population | Activities | Conditionality | Coverage | Benefit |
|---------------------------------------------------------------|-------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| Income Transfer Programs with Family Focus | | | | | |
| <i>Bolsa Família</i> - Federal/Municipal | Families with monthly income per capita below R\$ 120 | - different municipalities offer activities geared to the needs of families such as literacy classes, health and nutrition workshops, income generating activities | - school age children should show 85% of school attendance - bi-annual family health checkups :e.g. immunizations, pre-natal and nursing care | 24,000 families | R\$ 15 monthly per child/adolescent up to 15 years of age Families with per capita income up to R\$ 60 receive the basic benefit of R\$ 50 monthly |
| <i>Programa Garantia de Renda Familiar Mínima</i> — Municipal | | | | 3,118 families | R\$ 35 per person R\$ 125 average per family for 18 months |
| <i>Programa Renda Cidadã</i> — State | families with monthly income per capita below R\$ 100 selected by the Municipal Social Services | -workshops, educational activities depending on the interest of the participant families | - attend the workshops, participate in activities -attend monthly meetings at the implementing NGOs - be registered in the ProSocial database | 1,000 families | Up to R\$ 60 per family for 12 months. May be renewed for another year |
| Special Income Transfer Programs | | | | | |
| <i>Benefício de Prestação Continuada</i> (BPC) ñ Federal | 8,300 persons over 65 years of age and population with special needs who cannot work | | | | A minimum salary per person |
| <i>Programa de Erradicação do Trabalho</i> | Children from 7 to 16 years old | - school attendance and participation in | -school attendance and participation in | 245 families including 312 children | R\$ 180 monthly per family |

| | | | | | |
|-----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| <i>Infantil</i> — PETI— (Federal /Municipal) | who had been in the labor market | after school activities | after-school activities | | |
| <i>Programa Convivência e Cidadania</i> —Municipal | Children from 12 to 18 years old who had been in the labor market or begging | - after school activities and workshops provided by program coordinators - participants can be in the program until they are 18 | -participate in after school activities in the Citizenship Community Center | 60 families | R\$ 180 per family |
| Income Transfer Programs with Focus on Youth | | | | | |
| <i>Programa Jovem</i> — Municipal | | -technology training to become tutors in the jovem.com units | - participate in technology training and workshops -tutor youths and adults in the jovem.com units that offer free internet access | 400 youths | R\$ 150 |
| Youth Action <i>Programa Ação Jovem</i> — State | Youth 15 to 24 years old who have not completed basic or secondary education and socially vulnerable - Family's monthly income up to two minimum salaries. | -attend school or job training courses | - participate in job training | 2,500 youths in the city and 100,743 statewide | R\$ 60 monthly for 12 months that can be renewed for another 12. |
| Youth Agent <i>Projeto Agente Jovem</i> — Federal | Youth 15 to 17 years of age | -attend and participate on program's activities | - participate in activities promoting society's development, family and social interaction, job training. | 425 youths and 112,536 countrywide | R\$ 65 monthly for each participant - additional funds sent to the entities offering activities. |

Source: Municipal Government of Campinas - Secretariat of Social Development, Brazil, 2006.

geared towards the bottom quintile of the income distribution, with initiatives to reduce economic inequality, ensure better access to education, jobs and justice, and build social capital. CCTs are aligned with these suggestions by targeting the poor, increasing their income, and providing tools for the youth to get jobs or continue their education.

Cash Transfer Programs in Campinas

Brazil has seen a number of income transfer programs targeting the poor, with programs originating at municipal, state and federal levels. In 1995, Campinas was a pioneer in implementing the Minimum Income Program (*Programa de Renda Mínima*), a CCT targeted to families in extreme poverty and socially at-risk (World Bank 2001). Presently, there are in operation in Campinas eight types of Conditional Cash Transfer programs including both state and federal programs. Table 4 shows these programs classified by program focus.

In Campinas, Youth Action and Youth Agent Program are the main CCT programs focusing on youth. Table 5 summarizes features of the two programs.⁵

Discussion of the Two Programs

Though evaluation of Youth Action is underway (due later in 2007), it is possible to draw on the experience of the income transfer programs coordinator of the Campinas municipal government to gain some insight.

Main goals. Both Youth Agent and Youth Action focus on youth development, however with different aims. Youth Action targets out-of-school youth, the main goal being to get them back in school to complete basic and secondary education. The Youth Agent program, for its part, provides financial incentives to promote inclusion in the local social protection network so that youth will become active members of society, developing a life project and assuming a positive role in their communities. Both programs offer cultural and sports activities as well as job training.

Benefits. Both CCT programs are designed to help youth learn to play an active role in improving own their socio-economic condition, with programs to help them become active members of their communities (e.g. family guidance) and improve their schooling and job opportunities (e.g. professional training activities). This, it is hoped, will reduce youth's

⁵ Despite differences, all CCT programs must make the following design decisions (based on Ayala Consulting 2005): (1) Identify potential program beneficiaries and where they are located. If this information is not available, provide mechanisms for obtaining this information. In addition, it is important to know what education and health services are already available to this population segment. (2) Identify institutions that will be directly involved with program execution and gather their support. For example, define how existing agencies will work with health and education ministries. (3) Determine the amount of the benefits and how they will be delivered. The majority of CCT programs deliver cash directly to the women head of households. In Brazil, for example, this payment is done through a magnetic bank card. (4) Establish program components and conditionalities depending on policy goals. (5) Develop mechanisms to monitor compliance and actions to be taken where compliance is deficient. (6) Develop clear program exit strategies for beneficiaries.

Table 5. Main Features of Youth Agent and Youth Action Programs in Campinas, Brazil

| | Program Youth Agent (<i>Projeto Agente Jovem de Desenvolvimento - 1999</i>) | Program Youth Action (<i>Ação Jovem</i>) - 2004 |
|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Beneficiaries | Youth 15 to 17 years old in the following situations: - priority to out of school youth - who are participants or had participated in social assistance programs (this measure covers adolescents and youth from other programs such as PETI also promoted by the Brazilian Ministry of Social Development and Fight Against Hunger) - who are in situation of vulnerability and personally and socially at-risk - who are exiting or still under protective or socio-educational measures - who come from programs that address commercial sexual exploitation of minors -10% of vacancies from each municipality have to be given to adolescents with special needs | Youths between 15 and 24 years old who have not completed basic or secondary education and who are socially vulnerable, living in family with monthly income up to 2 minimum salaries. It also includes youth under probation |
| Program's Goals | to promote family cohesion to motivate the youth to be an active member of society to help the youth to improve their community and to contribute to decrease the rates of violence, drug use, sexually transmissible diseases, HIV and teenage pregnancy to prepare participants 18 and older to enter labor market | Address social vulnerability affecting youth from low-income families in Campinas (SEADS 2004) Main goal is social inclusion through formal education |
| Monitoring | Sectoral Coordination of Evaluation and Control Visits to participating NGOs and reports Bi-monthly meetings with all program coordinators and monitors and with Income Transfer Programs coordinator | Attendance is closely monitored and reported by implementing agencies After being selected, their families are included in the ProSocial database |
| Financing | Funds transferred from Federal to Municipal Government reached R\$ 112,535,819.94 (near US\$ 51million) for 1,711 municipalities | State provided R\$ 141.2 million (near US\$ 80 million) for 2005-2006 |

Source: Municipal Secretariat of Social Development of Campinas, São Paulo State Secretariat of Development and Social Assistance (SEADS), Brazil, 2006.

exposure to violence and vulnerability. Priority is given to areas where there is higher incidence of crime and violent acts involving youth (SEADS 2004). Evaluations are underway to see if the incidence of violence has fallen and gauge the extent that such declines are program effects.

Another justification for programs targeting vulnerable youth is that job choices that affect schooling decisions rely mainly on the job experiences of kin. The very poor may not

have access to information on jobs or services that would help them make better choices (de Janvry & Sadoulet 2005). Both Youth Agent and Youth Action expose beneficiaries to more information on furthering their education as well as on job opportunities that they can typically get from home. In a larger sense, targeting the most vulnerable and providing them financial incentive, the programs help to reduce inequality, key to curbing the spread of violence (Heinemann & Verner 2006; Knowles & Behrman 2006). And finally, the conditionality provides an incentive for recipients to take an active role in improving their condition and moving toward financial independence. This feature of CCT programs makes the program widely acceptable to most constituencies because the program is viewed as temporary, rather than a program promoting ongoing dependence.

Affordability. Affordability has to do with the fiscal costs of change as well as social and political costs. Unfortunately, while there is available funding for both programs and their continuing expansion,⁶ there is a lack of information on the overall costs of these programs, possibly because of the decentralized implementation.

Despite limited cost-benefit information on economic returns to investment in youth, available evidence on investments such as in formal schooling, adult basic education and literacy, and other types of school-based investments suggest, in general terms, that economic returns are at least as high as investments in other sectors (Knowles & Behrman 2006). However, because vulnerable youth may not be reached in programs offered in formal schools, it is more difficult to get reliable information on the effects of investments in youth, or more importantly the cost of failure to invest in youth. More information is needed on the costs and benefits of programs such as Youth Agent and Youth Action, not only from the perspective of participants but also from a social perspective, in terms of crime reduction and economic development.

Capacity to implement. Implementation capacity relates to the human and physical capacity to implement the program or policy. As CCT programs include conditions of school attendance or other activities, there must be a service structure in place for participants to access. As a thriving urban center, Campinas has a strong network of service providers with many non-governmental organizations (NGOs) and governmental agencies that can provide youth activities in addition to state and municipal schools and a Center for Professional Training which guarantees access to education. In Campinas, both programs are executed by NGOs and government social service agencies, which provide the necessary human and financial resources. There is also administrative support from the Youth Coordination and Coordination of Income Transfer programs.

Institutional arrangements. Institutional arrangements involve questions of how

⁶ Money transfers for participants and activities of Youth Agent are financed by the federal government with funds from the National Social Assistance Fund created by Law n. 8.742 from 1993 to support social assistance programs. Youth Action is co-financed by the State of São Paulo, and it received R\$ 141.2 million in 2006. The municipal government of Campinas receives every month R\$ 150,000.00 in transfers from the State Government to cover 2,500 youths in the Youth Action and R\$ 27,625.00 for the Youth Agent participants.

decisions are made and who is responsible for program administration.⁷ The Youth Agent and Youth Action program guidelines, including access criteria and available budget are defined by the executing agency, in this case the São Paulo, and for Youth Agent, the Federal Government. These guidelines are established on the basis of specific legislation tailored for each program. The local administration in Campinas maintains regular communication with the State and Federal coordinators of the two programs in order to achieve established goals and address various issues of program operation. The municipality monitors the work of the executing agencies at the municipal level and maintains a dialogue on needed changes.

Political support for the programs. While still very recent, youth development has been supported by all levels of government with existing and pending legislation.⁸ One important advance in this regard was establishment of the Department of Youth Affairs within the SEAS (State Secretariat of Social Assistance), to formulate programs for a segment of the population not served by the SEAS, the Youth agent being one of them (Inter-American Development Bank 2005).

Monitoring and evaluation. In Campinas, the implementing NGOs and government agencies monitor conditionalities and activities, registering school attendance and evaluating beneficiaries' participation in required activities. Regular meetings are scheduled to discuss program operations, program performance, and the extent to which programs are reaching their goals. Having conditionalities monitored is an essential part of CCT programs to ensure that participants continue to follow the behaviors necessary to improve their situation and eventually exit the program.

Despite observed positive effects, there have also been problems in implementation, mainly regarding the design of social assistance programs and associated administration. For example, the implementation of cash transfer programs without coordination among municipal, estate and federal levels of government has resulted in multiple initiatives with different proposals, different beneficiary registries, sometimes serving the same families. Had these programs been better coordinated, they might have had a greater impact. The municipal government of Campinas is working with other levels of government to address these issues.

⁷ In 2003 the estate government of São Paulo has made important changes in the administration of social programs with the goal to streamline their administration and distribution of resources. It established a partnership with two main goals: securing basic social protection and special protection to address situations involving social risk, in a partnership with the state and municipal governments in a co-financing system. The municipalities submit their plan based on the particular vulnerability characteristics of the target population as well as on the local context. The actions are co-financed and are duly monitored and transparent with information available on line (SEADS 2004).

⁸ In January 1999, the Secretariat of State for Social Assistance (SEAS) of the Ministry of Social Security and Social Assistance was raised to a level equivalent to that of a ministry, thus giving it greater visibility, dynamism, and autonomy of action. The SEAS has been taking comprehensive action aimed at social inclusion and protection of those segments of the population felt to be most vulnerable, focusing on the family unit rather than on its individual members (Inter-American Development Bank 2005).

Implications for the Future of CCT Programs in Campinas

Among the proposals municipal government has discussed to improve income transfer programs, there is emphasis on:

Establishment of a single amount to be set as reference to supplement existing scholarships, taking into account the focus of each program (e.g. family, youth, child labor, etc).

Discussions with other government levels (state and federal) regarding municipal government's management of other income transfer programs.

Integration of registries used by each program by implementing municipality's own social database (*Cadastro Social*).

Making payments through single magnetic bank card or same banking agency.

Integrating these programs with activities focusing on work and income generation.

These proposed changes make it possible to coordinate actions at all levels of government, so State policies can be designed to take into account the reality and the development possibilities of each municipality given other social assistance programs in operation. Further discussions are ongoing in terms of improving CCT programs so they can provide job opportunities, continue to reduce poverty and improve the education of beneficiaries, including the youth older than 15.

Finally, in terms of improving educational opportunities at the secondary level and expanding *Bolsa Familia* to reach youth, the government has been discussing the possibility of adapting the program's education incentives by (i) providing bonuses for secondary school graduation, (ii) increasing the value of the transfer for older youth to stay in school (recognizing the higher opportunity costs), and/or (iii) extending attendance conditionalities to youth age 16-18, which would capture secondary school enrolment" (World Bank 2006).

Conclusions

Conditional Cash Transfer programs have grown, taking many forms depending on the needs to be addressed, the context, and the time. CCTs appear to have helped the poor improve their education and health in ways that might not have occurred had the benefit been offered unconditionally. In addition, "by modernizing their operations, including the adoption of unified beneficiary registries, credible enforcement of poverty targeting and conditionalities, and strategic use of evaluations, these programs have introduced many innovations in social assistance policies" (de la Brière & Rawlings 2006, p.22).

Complementary CCT programs aimed at the most vulnerable youth can only exist with political support strong enough to survive changes in administration and to guarantee necessary resource allocation. Inasmuch as the programs involve transfers of funds to young people, implementation requires coordinated participation by all three levels of government as well as by organized civil society. Because administration of these programs is decentralized to the municipality, their quality may vary widely. The Campinas example suggests that a

large urban center is likely to need this type of program, at the same time that administration and in particular, coordination with other levels of government, can be very challenging.

By requiring conditions that involve access to certain services and programs (e.g. job training, attendance in public schools) to receive a cash benefit, CCT programs encourage eligible beneficiaries and other stakeholders to put pressure on governments to improve public services. This may in turn enhance local capacity to address the needs of its most vulnerable population. Youth Agent and Youth Action are relatively new complementary CCT programs and while their implementation is still ongoing, they appear to be a useful tool for governments to make education and training more affordable for low-income youth. CCT programs such as *Bolsa Família* and *Progres-a-Oportunidades* have also contributed, indirectly, to identification of vulnerable youth who have been left in the margins of the school system and other social assistance programs. Once identified, programs can be planned and implemented to foster development of human capital among this marginalized group.

References

- Attanasio, O., Fitzsimons, E. & Gomez, A. (2005). The impact of a conditional education subsidy on school enrollment in Colombia. The Institute for Fiscal Studies, Report Summary. *Familias* 01, London UK.
- Ayala Consulting (2003). Workshop on conditional cash transfer programs. Operational experiences. Quito, Ecuador.
- Azevedo, J. P. & Heinrich, C.J. (2006). Preliminary analysis and impact. Evaluation strategies for Avaliação de impacto do programa Bolsa Família (AIBF) [Impact evaluation of the Bolsa Família program]. Report to Cedeplar, Belo Horizonte, Brazil and Ministry of Social Development, Brasilia, Brazil.
- Barbosa, M. L. & Lavinias, L. (2000). Combater a pobreza estimulando a frequência escolar: O estudo de caso do programa Bolsa Escola de Recife [Combating poverty by fostering school attendance: case study of the Bolsa Escola program of Recife]. *Dados - Revista de Ciências Sociais*, 43, 447-477.
- Behrman, J. & Hoddinott, J. (2000). An evaluation of the impact of PROGRESA on preschool child height. Report submitted to PROGRESA. [Photocopy]. Washington, DC: International Food Policy Research Institute.
- Behrman, J. Sengupta, P. & Todd, P. (2001). Progressing through PROGRESA: an impact assessment of a school subsidy experiment. Washington, DC: International Food Policy Research Institute.
- Bobonis, G. & Finan, F. (2005). Endogenous social interaction effects in school participation in rural Mexico. Mimeo, University of California at Berkeley.
- Bourguignon, F., Ferreira, F. H. G. & Leite, P. H. (2002). Ex ante evaluation of conditional cash transfer programs: The case of Bolsa Escola. *World Bank Policy Research Working Paper*, 2916. Washington, DC: The World Bank.
- de la Brière, B. & Rawlings, L. B. (2006). Examining conditional cash transfer programs: A role

- for increased social inclusion? *Social Safety Net Primer Series*, N. 0603. Washington, DC: The World Bank.
- Cardoso, E. & Souza, A. P. (2004). The impact of cash transfers on child labor and school attendance in Brazil. Working Paper No. 04-W07. Nashville, Tennessee: Vanderbilt University, Department of Economics.
- CEPAL - Comisión Económica para América Latina y el Caribe (2006). La protección social de cara al futuro: Acceso, financiamiento y solidaridad., p.155-156. Retrieved November 12, 2006. http://www.eclac.cl/publicaciones/xml/0/24080/lcg2294i_Chapter_V.pdf
- Coady, D. & Harris, R. L. (2001). Evaluating transfer programs within a general equilibrium framework. FCND Discussion Paper 110. Washington, DC: IFPRI.
- Gertler, P. J. (2000). Final report: The impact of PROGRESA on health. Report submitted to PROGRESA. Washington, DC: International Food Policy Research Institute.
- Gertler, P., Martinez, S. & Rubio, M. (2006). Investing cash transfers to raise long-term living standards. Mimeo, 68 pp.
- Hernández, D., Orozco, M. & Sotres, D. (2000). Evaluación del impacto de Progresá en el estado de nutrición de los menores de 5 años en localidades atendidas por IMSS-Solidaridad [Evaluation of the impact of PROGRESA on the nutritional status of children under five in localities served by IMSS-solidaridad"]. In Evaluación de resultados del Programa de Educación, Salud, y Alimentación [Evaluation of Results of the Program of Education, Health, and Food], 159-206. Washington, DC: International Food Policy Research Institute.
- Heinemann, A. & Verner, D. (2006). Crime and violence in development. A literature review of Latin America and the Caribbean. World Bank Policy Research Working Paper 4041, October 2006. Washington, DC: The World Bank.
- Hoddinott, J. & Skoufias, E. (2003). The impact of PROGRESA on food consumption. Food Consumption and Nutrition Division Discussion Paper 150. Washington, DC: International Food Policy Research Institute.
- IBGE (2002). Instituto Brasileiro de Geografia e Estatística [Brazilian Institute of Geography and Statistics] www.ibge.gov.br
- Inter-American Development Bank (2005). Programa Agente Jovem. Washington, DC: Author.
- IPEA (2006). Educação no Brasil. Atrasos, conquistas e desafios. [Education in Brazil. Delays, accomplishments and challenges]. In *Estado de uma nação*. Brazil: Author.
- de Janvry, A., Finan, F., Sadoulet, E., Nelson D. , Lindert, K., de la Brière, B. & Lanjouw, P. (2005). Brazil's Bolsa Escola program: The role of local governance in decentralized implementation. *Mimeo*, World Bank, Development Economics Research Group.
- de Janvry, A., Finan, F., Sadoulet, E., & Vakis, R. (2005). Can conditional cash transfer programs serve as safety nets in keeping children at school and from working when exposed to shocks? *Journal of Development Economics*, forthcoming.
- de Janvry, A. & Sadoulet, E. (2005). Conditional cash transfer programs for child human capital development: Lessons derived from experience in Mexico and Brazil. Paper presented at GRADE 5th Anniversary Conference in Lima, November 15-17, 2005. Mimeo 23 pp.
- Knowles, J. C. & Behrman, J. R. (2006). Assessing the economic returns to investing in youth in

- developing countries. In C. B. Lloyd, J. R. Behrman, N. Stromquist & B. Cohen (Eds.), *The changing transitions to adulthood in developing countries: Selected Studies* (pp.424-490). Washington, DC: The National Academies Press.
- Legovini, A. & Regalia, F. (2001). Targeted human development programs: Investing in the next generation. Sustainable Development Department, Poverty and Inequality Advisory Unit. Washington, DC: Inter-American Development Bank.
- Lindert, K. (2005). Reducing poverty and inequality in Latin America: The promise of conditional cash transfers. Presentation for the International Training Centre of the ILO. The World Bank Office, Brazil.
- Maluccio, J. A. & Flores, R. (2005). Impact evaluation of conditional cash transfer program: The Nicaraguan Red de Protección Social. International Food Policy Research Institute- IFPRI.
- Ministry of Social Development & Fight Against Hunger (2005). Relatório de avaliação do plano plurianual 2005-2007 [Multi Year Evaluation Report 2005-2007]. Brazil.
- Rawlings, L. & Rubio, G. (2005). Evaluating the impact of conditional cash transfer programs. *The World Bank Research Observer*, 20 (1), 29-55.
- Schady, N. & Araujo, M. C. (2006). Cash Transfers, conditions, school enrollment, and child work: Evidence from a randomized experiment in Ecuador. The World Bank, Development Economics Research Group, *mimeo*, 41 pp.
- Schultz, P. T. (2004). School subsidies for the poor: Evaluating the Mexican Progresa poverty program. *Journal of Development Economics*, 74 (1), 199-250.
- SEADS - Secretaria Estadual de Assistência e Desenvolvimento Social (2004). Relatório de Gestão 2004. [Secretariat of Social Development. State Administrative Report 2004]. São Paulo, Brazil.
- Souza, A. P. (2005). The impact of Cash Transfers on school attendance and school progression in Brazil. Department of Economics University of São Paulo, Brazil.
- Suplicy, E. M. & Buarque, C. (1997). Garantia de renda mínima para erradicar a pobreza: o debate e a experiência brasileiros [Minimum income to eradicate poverty: the Brazilian experience and debate]. *Estudos Avançados*, 11 (30).
- World Bank Glossary. Poverty.net. Retrieved November 11, 2006.
<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPOVERTY/EXTPSIA/0..contentMD:20433436~menuPK:2453409~pagePK:210058~piPK:210062~theSitePK:490130,00.html>
- World Bank (1995). *World Development Report 1995: Workers in an integrating world*. Oxford University Press.
- World Bank (2001). *Brazil: An assessment of the Bolsa Escola programs*, Report 20208-BR, Washington, DC: The World Bank.
- World Bank (2003). *Inequality in Latin America and the Caribbean: Breaking with History?* Washington, DC: The World Bank.
- World Bank (2004). Brazil- Bolsa Familia. Project Appraisal Document. Washington, DC: The World Bank.
- World Bank (2006). *World Development Report 2007: Development and the next generation*. Latin American and Caribbean. Washington, DC: The World Bank.