BOOK REVIEW

# Food Policy and Public Action in Brazil

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Graziano Da Silva, Jose, Eduardo Del Grossi, Mauro and Galvao De Franca, Caio (eds.) (2011), *The Fome Zero (Zero Hunger) Program: The Brazilian Experience*, FAO and Ministry of Agrarian Development, Brasilia, pp. 360.

The Zero Hunger Programme initiated by the Government of President Luiz Inacio Da Silva – President Lula – in Brazil in 2003 has today become one of the most cited examples of successful public action to reduce food and nutritional deprivation.

Using an absolute poverty line (one dollar a day adjusted for regional price differences), there was a reduction in the number of poor people in Brazil by 20 million between 2003 and 2009. In terms of the poverty ratio, or proportion of the population below the poverty line, the ratio fell from 28.1 per cent in 2003 to 15.4 per cent in 2009. While the absolute reduction was larger in urban areas, the reduction in the poverty ratio was higher in rural areas. The sharpest reduction in the poverty ratio was in the Northeast region of Brazil, the poorest region of the country. By halving the poverty ratio in just six years – a remarkable achievement – the country achieved the first of the Millennium Development Goals ten years before the deadline.

In terms of nutritional indicators, the proportion of malnourished children (based on the weight-for-age criterion) fell from 10 per cent in 1995–97 to 6 per cent in 2006–08 (and from 16.6 million to 11.7 million in absolute terms over the same period: FAO 2007). By 2011, there was a further reduction in the prevalence of child malnutrition (to 2 per cent) and severe malnutrition had been wiped out (UNICEF 2012). Again, there were regional differences: malnutrition fell rapidly in the worst-affected region. Malnutrition in the Northeast region fell from 17.9 per cent in 1996 to 6.6 per cent in 2005. There were improvements in adult nutrition as well, with only 2.7 per cent of adults categorised as malnourished (Body Mass Index less than 18.5) in 2008–09, according to a national survey conducted by the Brazilian Institute of Geography and Statistics. By way of comparison, the incidence of child malnutrition in India

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(low weight for age for children under three), according to the National Family Health Surveys, was 46.7 per cent in 1998–99 and 45.9 per cent in 2005–06.

The Zero Hunger Project was a proposal formulated in 2001 by the Citizenship Institute, a think tank started in the early 1990s under the leadership of President Lula. The Project was implemented after Lula won the election in 2002. In his inaugural speech, President Lula said

> We are going to create appropriate conditions for all people in our country to have three decent meals a day, every day, without having to depend on donations from anybody…we need to eradicate hunger, extreme poverty and social exclusion (p. 9).

The core of the Zero Hunger Project was "an appropriate combination of…structural policies and…compensatory policies." The need for such a combination came from the understanding that hunger in Brazil stemmed from three main factors: the specific pattern of growth resulting in low aggregate demand on account of high income inequalities and unemployment; low purchasing power on account of the relation between food prices and wages; and the exclusion of the poorest sections of society from the market (p. 20).

Policy measures were grouped under three broad heads: structural policies, specific policies and local policies. Structural policies included land reform, employment and income generation, incentives for family farming, universal social security, and other measures such as basic health care and minimum income. Specific compensatory policies included the food card programme, food security stocks, food safety and quality, mother and child nutrition, school lunches, and a workers' food programme. Some of the compensatory policies were specific to location. These included subsidised restaurants in metropolitan regions, food banks, incentives for urban faming in smaller cities, and credit and other incentives for family farming in rural areas.

The Zero Hunger Programme defined its goal as follows: "Assuring food and nutritional security for the population of a country means providing all citizens with access to dignified food, with sufficient regularity, quality and quantity." There were thus four concerns raised with respect to nutritional security: quantity, quality, and regularity in terms of food intake and dignity in terms of the means of access to food. The Fome Zero definition of food and nutrition security thus went beyond the simple norm used by many countries, that of a fixed quantity of food or total calorie intake.

The key to the success of the Zero Hunger Programme was strong political commitment. Ending hunger was viewed as a national issue and as a social rather than an individual concern. Early in the new Presidency, three special bodies were created to implement the Programme: an Extraordinary Ministry of Food Security and Hunger, a National Food Security Council (with 18 ministers of State and 36 non-government representatives), and a special advisory body to the Presidency.

In 2010, by means of a Constitutional Amendment, the right to food was added to the list of social rights in the Brazilian Constitution, thus providing a permanent legal basis for interventions such as the Zero Hunger Programme.

The Zero Hunger Programme recognised that access to food rather than insufficient food supply was one of the main factors in the persistence of hunger. Four types of programmes (referred to as four "axes" in the book) were introduced to improve access: specific schemes for improving access to food for vulnerable populations, strengthening family farming, income generation, mobilisation and social control.

The first category included compensatory schemes such as the Bolsa Familia (Family Grant) programme and school meal programmes, as well as a range of local schemes such as urban kitchens and food banks.

Bolsa Familia was established in October 2003 by merging three existing schemes: the Food Card programme (in semi-arid regions), the food grant programme (for low-income families), and the school grant programme. The Bolsa Familia provided cash transfers to income-poor families (there was a general component plus a bonus for each child and pregnant woman). The target group comprised about 12.6 million poor (per capita income less than USD 82 per month) and extremely poor (per capita income less than USD 41 per month) families. This was Brazil's largest cash transfer programme, and each family received around USD 56 or R$ 94 a month (actual transfers ranged from 22 Real to 200 Real a month). In 2006, total outlays on Bolsa Familia amounted to 1 per cent of the federal budget and 0.4 per cent of GDP.

Cash transfers through Bolsa Familia became a major source of income for buying food for the beneficiary families. The assisted families were found to have an average total expenditure of USD 118. In other words, the contribution of Bolsa Familia was, on average, almost one-half of total family expenditure. A survey conducted in 2007 found that 93 per cent of children in households participating in Bolsa Familia ate three or more meals a day (Silva 2007). To continue receiving these benefits, families had to participate in the state health and education systems (that is, vaccinate children, attend medical check-ups for pregnant women, ensure school attendance by children, and so on.)

The second main scheme under this head was the National School Meal Programme, which provided free meals to children in public day-care centres, pre-schools, and primary and lower secondary schools. In 2009, students in upper secondary schools and in youth and adult education programmes were included. Doubling the expenditure on school meals allowed improvements in quality. At the same time, attempts were made to procure food commodities from local farmers (it was recommended that 30 per cent of funds be spent on local purchases), allow for special foods for selected groups such as indigenous communities, and include nutrition in the education curriculum. Another important initiative was the Workers' Food

Programme, where companies were granted tax incentives and waivers to provide subsidised food to workers. For semi-arid regions, a programme was undertaken to build cisterns to tap rain water for drinking purposes.

Unlike India and South Asia, Brazil is highly urbanised, with around 86 per cent of its population resident in urban areas. The Zero Hunger Programme had some innovative ideas for urban areas, including subsidised restaurants, food banks, food baskets for emergencies and community kitchens. Private companies were encouraged to participate in these ventures such as by collecting food for distribution or managing restaurants (for case studies, see Chapter 5).

The second set of programmes dealt with family farming, and was implemented by the Ministries of Agriculture and Agrarian Reform. While family farmers accounted for only one-fourth of the area cultivated by agri-business, they accounted for 38 per cent of the value of production in 2006. The share of family farmers in total domestic production of food crops was even higher (87 per cent of cassava, 70 per cent of beans, 46 per cent of corn). Family farmers were considered the "main pillar of food security."

The two major initiatives introduced to support family farmers and raise domestic food production were the expansion of the rural credit programme and the initiation of a food acquisition programme. The Family Farming Food Acquisition programme allowed farmers an opportunity to sell directly to government (Chapter 8). The programme undertook procurement, built food security reserves and also provided incentives for milk production and consumption. In 2007, a price guarantee programme was begun wherein government ensured a minimum price when market prices fell below a reference price. Credit and insurance were two important instruments of public support to family farmers. Different terms were available to different categories of farmers, with the lowest income-group of family farmers receiving loans up to 100,000 Real per year at an interest rate of 2 per cent per annum.

The evidence cited in the book indicates that the family farming support programme was successful in raising production (about 70 per cent of domestic consumption was met by production on family farms in 2010, up from around 60 per cent in the late 1990s) and incomes (there was a 17 per cent increase in average agricultural income, and a 32 per cent increase in the average household income of family farmers between 2003 and 2009). Nevertheless, in terms of coverage, only 70 per cent of the estimated number of family farmers had been reached by 2010.

The third set of programmes were schemes to promote employment and income generation. Under the aegis of the Ministry of Labour, programmes of training, technical assistance, and market advice were initiated to encourage new entrepreneurs to emerge from among the unemployed. While the book lists the number of projects undertaken, the impact on employment and incomes is unclear.

The fourth and last set of programmes involved partnership with non-government organisations and citizenship education. A variety of public campaigns were undertaken to educate and mobilise citizens. To cite one example, 92 million primers on food and nutrition security were distributed to the Brazilian population, focusing on low-income families and students.

It is worth elaborating upon the Bolsa Familia Programme, which has become (along with the programme called *Oportunidades* in Mexico) the model for new social policy recommendations based on conditional cash transfer programmes. The World Bank and other international organisations now recommend that conditional cash transfers be made the main instrument of social policy in developing countries. The three key components of the World Bank's new recommendations are cash transfers (rather than transfers in kind, such as through free public schooling or food rations), conditionality (linking cash transfers to certain behavioural changes), and, critically, targeting the transfers to a narrow section of the population. Targeting rather than universal transfers is, of course, a means to ensure a reduction in public spending.

The lessons from the Brazilian experience that emerge from a careful reading of this book – particularly for countries with a high incidence of malnutrition, such as those in South Asia and sub-Saharan Africa – are somewhat different from the model recommended by the World Bank.

First, while Bolsa Familia did account for the bulk of the expenditure on the Zero Hunger Programme, it was only one component of a complex combination of over 30 complementary programmes. The biggest programmes in terms of expenditure were Bolsa Familia, the School Meal programme, the programme for strengthening family farming, the food acquisition programme and the cistern-building programme (for harvesting rainwater in the semi-arid regions). To put it differently, the family cash transfer scheme cannot be recommended in isolation as a remedy for food insecurity, especially in countries where the malnourished population is much larger than in Brazil.

Secondly, unlike targeted social programmes elsewhere in the world, which are associated with immediate and steep reductions in government expenditure, spending on the Bolsa Familia increased three-fold between 2003 and 2008 (from USD 1.9 billion to USD 6.1 billion). The total expenditure of the federal government departments that undertook the various programmes doubled, and, in addition, there was a trebling of funds for rural credit. From 2003, a significant rise in public expenditure on social safety nets has been noted in the literature (Barbosa-Filho 2008). Also, unlike most cash transfers, where the real value of the subsidy is quickly eroded by inflation, using a price index based on staples, the real value of the transfers through Bolsa Familia remained constant over the years, despite food prices rising more rapidly than the overall rate of inflation (estimated by Bither-Terry 2012).

Thirdly, the target group, though defined on the basis of an accepted international poverty line, was small in relation to the total population. From the perspective of a large number of developing countries, including India, there is a very obvious empirical difference between their situation and conditions of food and nutritional deprivation in Brazil (or Mexico). To illustrate, the proportion of children aged 5 and below with weight for age below normal was less than 2 per cent in Mexico, 6 per cent in Brazil – and 46 per cent in India (UNICEF 2009). The set of policies that are termed "compensatory" in the Zero Hunger Programme and which dealt with reaching the "excluded" through various measures, including cash transfers were dealing with *a very small proportion* of the total population. In South Asia and sub-Saharan Africa, however, poverty and malnutrition persist on a mass scale.

Furthermore, while specific schemes addressed problems of specific groups, the objective of ensuring food security was viewed as applicable to "the population at large and not only to the poor portion of it (p. 163)."

Lastly, the conditions for eligibility of benefits, such as regular school attendance or proper immunisation and pre-natal visits, were seen as means of ensuring citizenship rights (p. 108) and detecting situations of social vulnerability. In other words, the main purpose of the conditions was to "guide the actions of public authorities towards ensuring rights, and not just to suspend the cash grant if irregularities [were] spotted" (*ibid.*).

In general, it has been accepted that cash transfer programmes will not succeed if there are constraints on the supply side (Handa and Davis 2006). The fact that Brazil invested in public health and education systems over several years is thus crucial: public expenditure on health and education amounts to around 12 per cent of GDP as compared to 8 per cent in India. Imposing conditionality is self-defeating in a context of low levels of education and health infrastructure. This fact is conveniently concealed by those recommending cash transfers in India and other countries with poor social infrastructure.

The biggest lacuna of this book is the absence of a discussion on fiscal policies and specifically how resources were raised and continue to be raised for the expansion of a wide range of food security and social security programmes. Fiscal issues are essential for developing countries struggling with a large food insecure population on the one hand, and the advice of neo-liberal economists to slash subsidies and target food security on the other. How does Brazil maintain its high public expenditure on social security? How has it successfully raised tax revenues? The tax to GDP ratio in Brazil, at 32 per cent, is the highest in Latin America. Was the increase in spending on social security at the cost of other public expenditures, such as spending on infrastructure (Barbosa-Filho 2008)?

A subject index would have helped the book, especially as there is overlap in the chapters written by different authors.

In much contemporary discussion on economic and social policy, the Zero Hunger Programme has been presented merely as a narrow conditional cash transfer scheme. The Bolsa Familia did account for a major part of the public expenditure on the Zero Hunger Programme, but as this book shows with clarity, the observed reduction of hunger and poverty in Brazil was on account of the strategy as a whole. Although structural policies other than family farming, such as land reform, minimum wages and universal social security are dealt with sketchily in this book, it is clear that they contributed to a more equal distribution of the benefits of economic growth. Inequality remains high; nevertheless, the trend over the last decade has been of a significant fall in income inequality in Brazil. Between 1998 and 2009, the Gini coefficient declined by 5.4 percentage points, from 0.59 to 0.53 (see Gasparini and Lustig 2011).

Development economists have much to learn from this book and it can well be said to be essential reading for all those interested in public policy and ending hunger. Given that the authors were key participants in the design and implementation of the Zero Hunger Programme, a companion volume on the fiscal implications of ensuring universal food security would be very useful.

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