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Brazil

Happy families

MACEIO

An anti-poverty scheme invented in Latin America is winning converts worldwide

MENTION globalisation and most people think of goods heading across the world from East to West and dollars moving in the other direction. Yet globalisation works for ideas too. Take Brazil's Bolsa Família ("Family Fund") anti-poverty scheme, the largest of its kind in the world. Known in development jargon as a "conditional cash transfer" programme, it was modelled partly on a similar scheme in Mexico. After being tested on a vast scale in several Latin American countries, a refined version was recently implemented in New York City in an attempt to improve opportunities for children from poor families. Brazilian officials were in Cairo this week to help Egyptian officials set up a similar scheme. "Governments all over the world are looking at this programme," says Kathy Lindert of the World Bank's office in Brasilia, who is about to begin work on similar schemes for Eastern Europe.

Bolsa Família works as follows. Where a family earns less than 120 reais (\$68) per head per month, mothers are paid a benefit of up to 95 reais on condition that their children go to school and take part in government vaccination programmes. Municipal governments do much of the collection of data on eligibility and compliance, but payments are made by the federal government. Each beneficiary receives a debit card which is charged up every month, unless the recipient has not met the neces-

sary conditions, in which case (and after a couple of warnings) the payment is suspended. Some 11M families now receive the benefit, equivalent to a quarter of Brazil's population.

In the north-eastern state of Alagoas, one of Brazil's poorest, over half of families get Bolsa Família. Most of the rest receive a state pension. "It's like Sweden with sunshine," says Cicero Pericles de Carvalho, an economist at the Federal University of Alagoas. Up to a point. Some 70% of the population in Alagoas is either illiterate or did not complete first grade at school. Life expectancy at birth is 66, six years below the average for Brazil. "In terms of human development," says Sergio Moreira, the planning minister in the state government, "Alagoas is closer to Mozambique than to parts of Brazil." Vote-buying is rife: the going rate in the last election for state governor was 50 reais. "People come to us complaining that they sold their vote to a politician and he hasn't paid them yet," says Antonio Sapucaia da Silva, the head of Alagoas's electoral court.

As well as providing immediate help to the poor, Bolsa Família aims in the long run to break this culture of dependency by ensuring that children get a better education than their parents. There are some encouraging signs. School attendance has risen in Alagoas, as it has across the country, thanks in part to Bolsa Família and to

an earlier programme called Bolsa Escola.

The scheme has also helped to push the rate of economic growth in the poor north-east above the national average. This has helped to reduce income inequality in Brazil. Although only 30% of Alagoas's labour force of 1.3m has a formal job, more than 1.5m of its people had a mobile phone last year. "The poor are living Chinese rates of growth," says Aloizio Mercadante, a senator for Sao Paulo state, repeating a proud boast of the governing Workers' Party.

Look hard enough and it is also possible to find businesses spawned by this consumption boom among the poor. Pedro dos Santos and his wife Dayse started a soap factory with 20 reais at their home in an improvised neighbourhood on the edge of Maceio, the state capital. With the help of a microcredit bank, they have increased daily output to 2,000 bars of crumbly soap the colour of Dijon mustard. Nearby, another beneficiary of a microfinance scheme has opened a shop selling beer, crisps (potato chips) and sweets. On the shop's wall hangs a reminder that the state's politics will take longer to change: a campaign poster with the slogan "Collor: the people's Senator". Fernando Collor was forced to resign as Brazil's president in 1992 after his campaign manager ran an influence-peddling racket. In his home state of Alagoas, though, Mr Collor's political career is thriving.

Despite the early success of Bolsa Família, three concerns remain. The first is over fraud. Because money is paid directly to the beneficiary's debit card, there is little scope for leakage. The question is whether local governments are collecting accurate data on eligibility and enforcing the conditions. Some 15% of municipal councils make the improbable claim that 100% of pupils are in school 100% of the time. De- ➤

spite this, most of the money does go to the right people: 70% ends up in the pockets of the poorest 20% of families, the World Bank finds.

Second, some people worry that *Bolsa Familia* will end up as a permanent feature of Brazilian society, rather than a temporary boost aimed at changing the opportunities available to the poorest. Whether this happens will depend largely on whether Brazil's public schools improve fast enough to give all their new pupils a reasonable education. Since the scheme began on a large scale only in 2003, it is still too early to tell.

Third, *Bolsa Familia* is sometimes equated with straightforward vote-buying. That is unfair. Luiz Inacio Lula da Silva's name is strongly associated with the scheme—even among some people in Alagoas who are unaware that he is Brazil's president. But their gratitude does not extend to support for his Workers' Party. There are signs that mayors who administer the programme will get a reward at the polls while those who do not suffer. For a relatively modest outlay (0.8% of GDP), Brazil is getting a good return. If only the same could be said of the rest of what the government spends. ■

Simon Bolivar

Time to liberate the Liberator

Venezuela's president rewrites the history of his hero

IN LATIN AMERICA it often seems that the past is of more moment than the present, and nowhere more so than in Venezuela. Hugo Chavez, the country's leftist president, invokes Simon Bolivar, the liberator of northern South America from Spain, as his inspiration. He claims to be leading a "Bolivarian Revolution" and has renamed the country the "Bolivarian Republic of Venezuela".

Last month Mr Chavez took this cult of the past a step further. On January 28th the official gazette carried decrees setting up two investigative committees. The first will look at (deteriorating) public health in the capital. The second, composed of the vice-president, no fewer than ten ministers, the attorney-general and the head of the cultural institute, has a weightier mission: its job is to "clear up the important doubts woven around the death of the Liberator". In December, Mr Chavez said that Bolivar might have been poisoned by his Colombian opponents. That is not his only extravagant claim. He has implied that Bolivar was a socialist or even a communist, comparing him to both Mao Ze-

dong and Che Guevara.

Bolivar was indeed a great military leader. He believed that the newly liberated countries should stick together. In that sense he is rightly held up as an early champion of Latin American integration, even though sticking together proved impossible. Yet many of his political ideas were very different from Mr Chavez's.

Bolivar was a Venezuelan aristocrat who inherited estates and mines. He was a man of the Enlightenment, a reader of Adam Smith and John Locke as well as of Voltaire and Rousseau. He was an economic liberal who freed his own slaves, but a political conservative. He believed the new republics needed strong government. He admired the United States, although he feared its potential power. He was a devoted Anglophile—hardly the attitude of an "anti-imperialist".

His soldierly imperiousness caused him to be disliked in Peru and in highland Colombia. In 1828 a group of conspirators in Bogota, tiring of his dictatorship, broke into the presidential palace bent on murdering him. Bolivar escaped. But after the (unconnected) murder of Sucre, his most loyal general, he set off, ailing and disillusioned, for a proposed exile in Europe.

Bolivar got as far as the port of Santa Marta, where in 1830 he expired from tuberculosis. In a beautifully written novel, "The General in his Labyrinth", Gabriel Garcia Marquez, a Colombian writer, modishly portrayed Bolivar as a man of the people traduced by a reactionary oligarchy. But neither Mr Garcia Marquez nor any serious historian has suggested that he was poisoned. John Lynch, his most recent biographer, points out that the dying Bolivar was watched over by a "qualified and conscientious" French doctor whose medical bulletins were published in Caracas in 1875-78. In his book, Mr Lynch accuses Mr Chavez of "a modern perversion" of the longstanding cult of Bolivar encouraged



An intoxicating history

by many Venezuelan presidents.

It was surely not coincidental that Mr Chavez made his poisoning claim while trying to stir up nationalist feeling against Colombia, accusing its generals of wanting to assassinate him. As the bicentenary of the start of Latin America's independence struggle in 1810 approaches, it may be time for a different sort of investigative committee to be set up. Let historians liberate the poor Liberator from the politicians who would abuse his name. ■

Chile

The slow lane

Fallout from a botched transport reform

AFREE hand to redesign a city's bus services from scratch may be a transport planner's dream. But the overhaul of Santiago's public-transport system, launched in February 2007, has turned into a nightmare for commuters in Chile's capital. A year on, the multitude of flaws and glitches in the new scheme, called Transantiago, are gradually being fixed. The political damage to Michelle Bachelet, the country's president, and her predecessor, Ricardo Lagos, looks harder to repair.

The new scheme was the most ambitious transport reform ever tried by a developing country, says Dario Hidalgo of the World Resources Institute, a think-tank in Washington, DC. It involved some 200km (125 miles) of dedicated bus lanes, and the wholesale reorganisation of bus routes to integrate them with the city's metro. But Transantiago has become a model of how not to reform public transport. It brought misery for commuters: more changes to complete typical journeys, long queues for full buses and gross overcrowding of the metro.

A new transport minister, Rene Cortazar, has gradually ordered the chaos. He negotiated contract changes with private bus firms; there are now more buses, more flexible bus routes and less congestion on the metro. The pre-paid smart card works, though not yet the satellite technology to control bus movements. Officials now recognise that Transantiago, which was designed to be self-financing, will need a long-term subsidy of up to \$40m a month.

The chaos was all the more shocking to Chileans because they like to think of their country as the best-organised in Latin America. Officials admit that planners and politicians made big mistakes. These included President Bachelet's decision to launch the system when almost none of the bus lanes and the technology was