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Considering Post-Crisis Stimulus Measures: Welfare Policy and Social Inclusion in Brazil

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The onset of the 2007-2008 global financial crisis slowed economic growth in Brazil and threatened the country's established trajectory of decreasing poverty and inequality. To mitigate prolonged effects of the crisis, leadership implemented a growth-with-equity stimulus plan, of which investment in income augmentation and human capital-building programs for the poor were primary elements. This article examines the economic and social impacts of the stimulus package. It shows that stimulus measures had overall positive effects on the economy, but mixed effects on the well-being of the underprivileged. Improvements in the underprivileged population's well-being may be less profound than officials have reported, as gains on poverty have been assessed in terms of income level and social program utilization rates, while the low quality of human capital-building services has been less considered. If the quality of these services is not improved, human capital development may be stunted, which could hinder future socioeconomic progress.

Key words: *Brazil, fiscal stimulus, global financial crisis, Bolsa Família*

Throughout the first years of the new millennium, Brazil established an impressive track record of rigorous economic growth alongside a rapidly declining national poverty rate. The onset of the 2007-2008 global economic crisis threatened these achievements (International Labor Organization, 2010; Serrano & Summa, 2011). The collapse of Lehman Brothers triggered a domino effect across the international banking system, choking credit to the private sector, driving investor and consumer uncertainty, and threatening the socioeconomic security of the public (Arestis & Karakitsos, 2012; Davies & McGregor, 2009). Immediately following the onset of the crisis, G20 countries coordinated a stimulus agenda in an attempt

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to ward off prolonged recession (Cooper, 2010), but by 2010, several European and Global North states had reevaluated the financial burden of expansionary policy and switched their crisis management strategy to one of fiscal austerity (Salmon, 2010; Wren-Lewis, 2011). Brazil, however, maintained a commitment to stimulus measures to minimize social suffering and jumpstart economic activity. In 2009, Brazilian leadership implemented a growth-with-equity stimulus plan primarily aimed at increasing investment in the well-being of the poor (International Labor Organization, 2011). This policy was expanded even further in the years following the crisis. As countries across Europe and the Global North continue to struggle with the economic and social repercussions of the financial crisis, Brazil has bounced back with reinstated growth and continued gains on poverty (Ministry of Finance, 2011). This recovery is impressive, yet the social and economic achievements are not without their limitations.

This article explores the social and economic effects of Brazil's recent stimulus agenda, with the well-being of the underprivileged being the focal point of analysis. To begin, this article sets forth the two responses to economic crisis that leadership may implement: fiscal austerity and stimulus spending. The article then examines Brazil's stimulus plan and considers how policy measures impacted economic factors, namely employment and growth, and social variables, such as income level and human capital development. As the article suggests, stimulus measures have had mixed effects on underprivileged persons, which, if not addressed, may compromise future social and economic progress. Policy and advocacy implications are then considered. Finally, suggestions for social policy and future areas of research are recommended.

Managing Economic Crisis: Two Perspectives

The onset of the global financial crisis sparked international debate on how economies should recover from downturned growth, with economists grappling with the costs and benefits of the two available options: fiscal austerity or stimulus spending (Tcherneva, 2012). With austerity programs, political leaders seek economic expansion through fiscal contraction, employing a series of spending cuts and tax increases to

reduce the budget deficit and manage debt (Stone & Cox, 2008; Tcherneva, 2012). Proponents of austerity argue that fiscal conservatism spurs private spending by calming uncertainty about federal debt and boosting confidence in federal fiscal management (Schoenbaum, 2012). Critics, however, argue that austerity fails to activate new economic growth, and inflicts massive human costs on the population (McKee, Karanikolos, Belcher, & Stuckler, 2012). Critics also claim that austerity aggravates unemployment, drives civil unrest, and destabilizes society by cutting access to public programs, like social security, unemployment benefits, and public education and health services. As critics further argue, trimming such programs disproportionately affects the poor (United Nations Office of the High Commission for Human Rights, 2012).

Stimulus, on the other hand, combats recession by pumping money into the national economy, typically through a combination of government borrowing and tax cuts (Stone & Cox, 2008). Guided by the overall goal of spurring job creation by augmenting consumption demand (Davig & Leeper, 2009; Romer & Bernstein, 2009), stimulus plans typically introduce focused, short-term, timely programs, such as infrastructure development, investment in local economies, and support for the unemployed, the poor, and other socioeconomically vulnerable groups (Salmon, 2010). Opponents of stimulus measures argue that deficit spending can balloon to unsustainable levels over time, and may yield uncertain long-term gains on problems like unemployment (Schizer, 2012). Advocates for expansionary policy counter-argue that stimulated consumption and demand encouraged by increased federal spending reestablish market engagement, curb job loss, and minimize social suffering (McKee et al., 2012). They also argue that once the economy recovers, employment and tax revenues will increase, resulting in reduced need for public benefits and deficit spending (Stone & Cox, 2008).

Post-Crisis Stimulus Measures in Brazil

After experiencing economic downturn in late 2008, Brazil mitigated prolonged effects of the global financial crisis by implementing an equity-and-growth stimulus package in 2009 (International Labor Organization, 2010). The rationale for

Brazil's stimulus policy has deep political, historical, and social roots. After enduring two decades of dire socioeconomic instability characterized by massive unemployment, hyperinflation, fluctuating output, and extreme destitution and inequality, stabilization efforts introduced in the late-1990s paved the way for Brazil's new economic path. By the early 2000s, this path consisted of robust economic growth alongside rapidly decreasing poverty and inequality (Paiva, 2009).. From 2004 to 2007, Brazil's annual growth averaged 4.4% in real terms (International Labor Organization, 2010), more than double its annual growth from 1999 to 2003 (Serrano & Summa, 2011). The national poverty rate¹ fell from 35.3% of the population in 1999 to 33.7% in 2004, speeding up to drop to 21.4% by 2009 (United Nations, 2013).

Recent economic growth is primarily due to an early-2000s boom in Brazilian exports and subsequent development of domestic markets (Kandil & Morsy, 2010). Brazil's export-led growth began to cool in the middle of the decade, due to declining international demand with the onset of the global crisis. However, expansionary monetary policy bolstered burgeoning internal markets and established the spending trajectory on which post-crisis stimulus measures would be built (Serrano & Summa, 2011). The recent rapid decline in poverty that accompanied economic growth is primarily attributed to the 2003 introduction of the flagship social assistance program, *Bolsa Família* ("Family Grant"), a conditional cash transfer program. While *Bolsa Família's* achievements have been noteworthy, millions of Brazilians continue to live in poverty, with over 16 million of the country's 190 million people residing in extreme poverty² today (Ministry of Social Development, 2012). This has only fueled the rationale for increased social spending.

When the 2008 global crisis hit, the international credit crunch and environment of uncertainty that rippled global markets also threatened Brazil (International Labor Organization, 2010; Williamson, 2009). To mitigate reversion of socioeconomic gains achieved over the last decade, Brazil introduced a "growth-cum-equity" stimulus package that totaled US \$20 billion, or just over 1% of the national GDP (International Labor Organization, 2010). The multi-faceted package included spending on infrastructure (41.5%

of package budget), tax cuts (35%), subsidies (15%), transfers to municipalities (5.5%), and investment in social protection programs (International Labor Organization, 2010). This latter component included an expansion of *Bolsa Família* (1.5% of the package budget), an extension of unemployment insurance for up to two months (1%), and the introduction of the *Minha Casa, Minha Vida* (“My House, My Life”) public housing plan, a component of the infrastructure investment initiative (International Labor Organization, 2010). Since the 2009 stimulus package was introduced, subsequent anti-poverty measures have been implemented, most notably *Brasil Sem Miséria* (“Brazil Without Misery”), a comprehensive program that targets people living in extreme poverty.

Impact of Stimulus Measures on the Economy

Brazil’s pre-crisis economic environment was characterized by a decade of booming domestic growth, an agenda of coherent macroeconomic policies based on monetary stability and fiscal equilibrium, and a restructured financial system carried over from stabilization reforms of the late 1990s (Paiva, 2009). This structure alleviated the blow of the financial crisis and set the stage for stimulus measures to deliver quick economic recovery (Paiva, 2009). After only two quarters of negative growth, Brazil’s GDP growth pivoted towards the positive by late 2009, registering at 4.4% by the final quarter of that year (International Labor Organization, 2011). Had the stimulus package not been introduced, the government believes that GDP would have contracted by 2% (International Labor Organization, 2010). By 2010, 2.2 million new formal sector jobs had been created (a 6.7% increase), and prolonged expansion of the informal labor market had been avoided (International Labor Organization, 2011). Domestic markets, particularly in the service sector, developed further, supported by credit supplied by the three public banks at a time when private banks were hesitant to lend (Ocampo, 2012). Additionally, low- and middle-income families’ purchasing power was increased by a reduction in taxes and, for some, by income supplementation vis-à-vis *Bolsa Família* cash transfers (Barbosa, 2012).

The stimulus package’s social programs contributed to economic rejuvenation in various ways. Overall, *Bolsa Família* cash transfers injected US \$30 billion into the national economy, and

had multiplier effects of 1.4 on GDP and 2.2 on family incomes (International Labor Organization, 2011). Furthermore, coverage and targeting expansions of the flagship social welfare program is estimated to have created and saved a total of 1.3 million jobs (International Labor Organization, 2011). As a result of the public housing program *Minha Casa, Minha Vida*, 1 million homes for low- and middle-income families were built by 2010, with another 2 million scheduled for construction by the end of 2015 (World Bank, 2012). As of 2012, *Minha Casa, Minha Vida* had created 1.4 million jobs in the construction sector, an industry that had been negatively impacted by the financial crisis (Ministry of Development, Industry, and Foreign Trade, 2013).

Brazil has fared well in comparison to other countries hit by the global recession, including those that adopted an agenda of fiscal austerity. Recession continues to burden the Iberian states of Spain and Portugal, for example, where both private and public demand remain depressed (Koumparoulis & Wong, 2012). Spending on human development services has been dramatically reduced in that region, as exemplified by Spain's education budget, which has been slashed by 20% (Burrige, 2012). Such cuts have driven social backlash and unrest (Hughes, 2011). Unemployment of youth under 25 years of age registers at 55% in Spain, and the persistent downturned labor market across the Iberian Peninsula has driven youth and professionals to migrate in search of work to now-booming former Latin American colonies, including Brazil (MacSwan, 2012; "With Youth," 2013). While Brazil's post-crisis environment is remarkably different from that of its Iberian counterparts, it is important to note that Brazil's position as an "emerging economy"—characterized by a half-decade of vibrant internal growth, booming international market activity, and recently reformed financial structures—helped drive its prompt recovery (Paiva, 2009).

In the years following the economic crisis, Brazilian growth continued, albeit at a slower pace than anticipated (Ministry of Finance, 2011). Investment in transportation and other infrastructure has been amplified, and spending on social programs has been further augmented, which has helped keep unemployment low (5.3% in 2012) and consumption high (Winter

& Pereira, 2012). The massive expansion of credit in domestic markets has expanded economic participation to new members of society and supported local business growth. However, reliance on credit has also introduced vulnerabilities, and many consumers have reached their debt limits (International Monetary Fund, 2012).

Increased spending has sparked debate. Some question whether the state can sustain growth alongside fiscal injections (Winter & Pereira, 2012). Nevertheless, the Brazilian Ministry of Finance (2011) projects that the economy will maintain healthy performance going forward, displaying positive growth, sustained domestic demand, and positive consumer and industry confidence.

Impact of Stimulus Measures on Social Well-being

While the 2009 stimulus package had an overall positive impact on the economy, the measures had mixed effects on the social well-being of the underprivileged. To begin, extended employment insurance had little to no impact on the economic security of the poor. The insurance initiative offered support to 310,000 workers in key downturned industries, like mining and steelmaking (International Labor Organization, 2010). However, the program targeted the formal sector, an area in which poor people in Brazil typically do not work (Organization for Economic Co-operation and Development, 2011; World Bank, 1995). Thus, few, if any, poor people directly benefitted from the extended insurance measure.

The public housing program, *Minha Casa, Minha Vida*, however, did have direct benefits on the underprivileged. Funded by a blend of government and private investment, *Minha Casa, Minha Vida* assisted over 1 million low-income Brazilians in obtaining housing, either as renters or mortgaged buyers (World Bank, 2012). By moving into *Minha Casa, Minha Vida* housing complexes, many families received access to basic human and sanitation services for the first time, such as sewage systems, treated water, and electric power (Santin, 2012). Furthermore, individuals with special needs, such as the elderly and wheelchair users, were provided housing that accommodates their lifestyles and needs, which many did not have in their previous accommodations (Santin, 2012). After

the 2009 stimulus package was introduced, a second wave of *Minha Casa, Minha Vida* investment was unveiled in 2011, with the federal government dedicating R\$140 billion reais (US \$70 billion) to program expansion (Maresch, 2011). As a part of this second wave of investment, two socially progressive initiatives were introduced to the housing program: first, women no longer need their husband's signatures to enroll, and second, all homes were designed to be powered with solar energy panels (Maresch, 2011).

While *Minha Casa, Minha Vida* has provided numerous underprivileged Brazilians with access to adequate housing, the program is not a total success story. Many residents state that the complexes are being built in the distant periphery without adequate access to health facilities, schools, or public transportation (Duarte & Benevides, 2013; Santin, 2012). In metropolitan areas, where onerous commutes are commonplace, housing complex isolation is particularly burdensome. In Rio de Janeiro, for example, the average walk from *Minha Casa, Minha Vida* complexes to bus and metro stops is approximately thirty minutes, and many residents must take multiple modes of transportation to access the city center and places of employment (Duarte & Benevides, 2013). This imposes high costs and travel time on commuting residents.

Economic motivations may be at the heart of these burdens, as economic planning commissions within the government, rather than local participatory coalitions, established the program's real estate development plans (Valença & Bonates, 2009). Furthermore, contractors and investors are arguably more likely to develop complexes in the distant periphery because land purchased for construction is less expensive in this area, thus yields higher profits for builders and investors (Duarte & Benevides, 2013).

Among all other social measures introduced with the 2009 stimulus package, the principal welfare investment was the expansion of Brazil's principle anti-poverty program, *Bolsa Família*. *Bolsa Família* is a means-tested, targeted, conditional cash transfer program that provides underprivileged families with monthly cash benefits in exchange for meeting education and health "conditionalities," which aim to build human capital (Lindert, 2006; Lindert, Linder, Hobbs, & de la Brière, 2007). Conditionalities require that every

school-age child between the ages of 7 and 17 years must be enrolled in school and attend 85% of monthly school hours, and that mothers and children under 7 years of age complete an agenda of pre-natal care, vaccinations, and health and nutrition surveillance (Santos, Paes-Sousa, Miazagi, Silva, & Medeiros da Fonseca, 2011).

The 2009 expansion of *Bolsa Família* was delivered in two ways. First, the targeted beneficiary pool was broadened, and second, cash benefit amounts were increased (Fiszbein, Ringold, & Srinivasan, 2011; Soares, Ribas, & Soares, 2010). The qualifying income level was raised, which added 1.3 million families to the previous target population of 11 million families, and the amounts of fixed and variable per-child stipends were increased, only to be raised again in 2011 (Soares, 2012). As a final 2009 stimulus measure, new local-level poverty estimation methods were implemented, which allowed for a more accurate determination of the number of eligible families, and increased participation of beneficiaries in previously excluded areas (Fiszbein et al., 2011).

While the 2009 increase in *Bolsa Família* accounted for only 1.5% of the total stimulus budget, the cumulative gains that the program has had on inequality and poverty alleviation since 2003 are significant (International Labor Organization, 2011). Today, *Bolsa Família* is the largest conditional cash program in the world. It extends benefits to 25% of the Brazilian population—almost 13 million families, or about 52 million people (Santos et al., 2011). There is evidence that *Bolsa Família* income augmentation has led to various improvements in beneficiaries' well-being, such as increased food security (Rocha, 2009), healthier diets (Food and Agricultural Organization of the United Nations, 2006), and investment in basic necessities, such as clothing, medicine, and school supplies (O Futuro Começa Agora, 2012). Official sources emphasize that *Bolsa Família* has "lifted" millions of families out of poverty (i.e., above the national poverty line) (Ministry of Social Development, 2013). However, some independent program evaluators suggest that the program is more successful in closing the income distribution gap, rather than in relieving poverty (e.g., Soares & Sátyro, 2010). Others argue that while achievements are significant, due to means testing, the program excludes people residing

just above the poverty line who may also be socioeconomically insecure (Soares, Ribas, & Soares, 2010). Hence, because *Bolsa Família* enforces a qualifying income limit, it may keep vulnerable individuals from receiving the services they need.

Evaluations of human capital building initiatives in education and health have yielded varied results. In terms of health, *Bolsa Família* enhances public awareness about health services (Soares, Ribas, & Osório, 2010), and increases the likelihood that pregnant mothers will attend prenatal care visits and children will be vaccinated (Gilligan & Fruttero, 2011; Ministry of Social Development, 2007). However, some beneficiaries claim that low-quality clinics, staff, and services prevent their access to equitable healthcare (Ministry of Social Development, 2007). In terms of education, *Bolsa Família* clearly encourages attendance and re-enrollment, and discourages dropping out (Gilligan & Fruttero, 2011; Glewwe & Kassouf, 2012; Ministry of Social Development, 2007). However, the program may fall short of improving children's performance in school, and even when children consistently attend classes, the program appears to have little impact on their cognitive skill development (Santarrosa, 2011; Soares, Ribas, & Osório, 2010). These results are at least in part due to the low quality of curricula, schools, and some teachers (Santarrosa, 2011; Soares, Ribas, & Osório, 2010).

As these various studies suggest, *Bolsa Família* succeeds at increasing enrollment rates and the number of people with access to social services, but fails to address the *quality* of services (Organization for Economic Co-operation and Development, 2011), which, especially for education, is very low across Brazil (Aquino Menezes-Filho, Franco, & Waltenberg, 2008). This matter is of concern, as even when conditional cash transfer programs impose a mandatory use of health and education services, complying with program conditionalities may not build human capital if the quality of those services is not taken into account (Calvo, 2011).

Two years after the implementation of the 2009 stimulus package, anti-poverty spending increased even more with the 2011 introduction of *Brasil Sem Miséria*, a multi-initiative program that targets people living in extreme poverty (Ministry of Social Development, 2012). This program scaled up *Bolsa*

Família by taking into account both income-based and various non-monetary dimensions of poverty that affect the extremely poor. Operating on an annual budget of R\$20 billion, *Brasil Sem Miséria* offers expanded income assistance, enhanced skill-building initiatives (e.g., job training programs, particularly for technical positions in the formal sector, and access to micro-credit), and improved public services (e.g., distribution of clean drinking water, and the addition of health center locations and improved services, particularly for children ages 0 to 5) (Ministry of Social Development, 2012; Nehring & McKay, 2013; Plan Brasil Sem Miséria, 2012).

Brasil Sem Miséria also seeks to extend efforts of social inclusion to the extremely poor. The program employs language of inclusion, clearly stating that it is vulnerable citizens' "right" to obtain benefits and secure a better quality of life (Ministry of Social Development, 2012). Additionally, *Brasil Sem Miséria* implemented the *Busca Ativa* ("Active Search") initiative, which sends teams of professionals, psychologists, social workers, and counselors to locate potential beneficiaries who have been excluded from benefit receipt for reasons such as living in remote areas and lack of documentation (Ministry of Social Development, 2012).

According to Brazil's Ministry of Social Development (2012), *Brasil Sem Miséria* achieved many successes after just one year of implementation. The population of qualified cash transfer beneficiaries was expanded to include women who are pregnant or breastfeeding, adding 255,000 mothers to the beneficiary roster. Across the country, 123,000 people were enrolled in technical job training courses. Of these students, 70% were women and 44% were young adults between the ages of 18 to 28. *Busca Ativa* located 687,000 new families who were eligible for social plans, and set a new goal of reaching 800,000 families by the end of 2013. Most impressively, *Brasil Sem Miséria* has "lifted" 22 million people out of extreme poverty since 2011 (Ministry of Social Development, 2013).

Despite these promising results, various concerns have surfaced. First, *Brasil Sem Miséria* carries over problems with exclusion due to income. To qualify for program benefits, people must be at or below the extreme poverty line, which may exclude some vulnerable persons from receiving benefits

that they may need. Second, much like *Bolsa Família*, *Brasil Sem Miséria*'s successes have been quantified in terms of enrollment. Granted *Brasil Sem Miséria* is in its infancy, thus it may be too soon to determine factors such as program quality and effectiveness. Going forward, such dimensions must be examined. Third, although *Brasil Sem Miséria* addresses the quality of health services, it does not tackle the quality of education. *Brasil Sem Miséria* does include education initiatives in its agenda, such as *Mais Educação* ("More Education"), which supports optional activities, such as students attending full-time school days rather than the norm of part-time shifts. This initiative, however, neglects to address contextual problems within the education system that shape learning, such as poor-quality curricula, teachers, and facilities.

Implications and Conclusions

Post-financial crisis stimulus spending in Brazil has had an overall positive impact on the economy but mixed effects on the well-being of the underprivileged. Emergency unemployment insurance essentially bypassed the poor. *Minha Casa, Minha Vida* housing program created jobs and provided shelter to over 1 million people, but imposed new burdens on some recipients, like peripheral relocation. *Bolsa Família* extended financial assistance to over 1 million new beneficiaries and increased access to education and health services. However, the effect of increased access and enrollment is inconclusive, given the low quality of services that beneficiaries tend to receive. Some underprivileged persons residing just above the qualifying income threshold have been excluded from program benefits altogether. *Brasil Sem Miséria* evolved the understanding of poverty to include various non-monetary factors, like clean water access and job training, and made efforts to improve health services. *Brasil Sem Miséria*, however, reaffirms access to social assistance based on income levels, and has yet to tackle the many complexities associated with improving the quality of education services—a pressing matter if human capital is to be built.

Brazil's social program successes have typically been conceptualized in terms of quantitative increases—augmented income levels, an increased number of people with housing,

a rise in school and clinic attendance rates. The extension of access to services is no doubt a massive accomplishment and a critical starting point. However, the celebration of these indicators alone allows the low quality of services and the negative externalities that social programs may impose to be overlooked. These disregarded factors must be acknowledged, as they impact the underprivileged population's well-being, human capital development, and access to future opportunities—variables that are central to future social and economic progress.

Two implications can be drawn from this analysis. First, despite Brazil's pattern of healthy growth, future economic development may be stunted if the quality of human capital building mechanisms (primarily education) is not improved. A nation's long-term international competitiveness is in part determined by the quality of its labor force, which is largely contingent upon the quality of its schools (Puryear & Goodspeed, 2008). Furthermore, high-quality education "improves workers' skills, promotes growth, [and] reduces poverty" (Puryear & Goodspeed, 2008, p. 45). Given these claims, the state of the Brazilian education system is alarming. Across the country, only 33% of fifth graders and 12% of ninth graders perform at the minimum competency level in mathematics, and 37% and 22% of the same age groups at the minimum level of Portuguese (QEdu, 2013). Children often repeat grade levels, and rather than attending a full day of classes, typically frequent one of two or three shifts, which are only a few hours long ("Brazil's Poor," 2009). There is a massive dearth of qualified teachers, and teacher truancy is a regular occurrence, with absence rates averaging 30% per academic year ("Brazil's Poor," 2009). Given that it may take years for changes in education quality to yield returns (Morley, 2001), social policies that improve the quality of education are imperative today.

Going forward, future research must critically assess factors that determine education quality, such as curricula, teacher qualifications, and facilities. Advocacy leaders and members of civil society must lobby for these changes to be implemented in underprivileged schools. Furthermore, future policy agendas should focus on implementing policies that improve not just attendance rates, but also the quality of learning.

The second implication that can be drawn is that if negative

externalities of social programs are not addressed, they may negate the benefits of social services distributed to some underprivileged persons. As illustrated by peripheral relocation with *Minha Casa, Minha Vida*, disconnects between objectives of economic growth and improved well-being may arise even within progressive development programs. There is a need for members of civil society to advocate for the state's recognition of the negative externalities that programs may impose, and to lobby for correction of these burdens. There is also a need for research to explore the positive and negative impacts of this and other social programs, which will help identify program gaps that may be overshadowed by impressive enrollment and utilization rates. To date, few scholars have analyzed *Minha Casa, Minha Vida* and *Brasil Sem Miséria*. This may be due to the youth of these programs. Going forward, research exploring these programs in greater depth is needed.

Overall, Brazil fared well in the aftermath of the 2007-2008 global financial crisis. Due to the 2009 stimulus package and subsequent spending initiatives, economic growth was maintained, jobs were created, and poverty continued to decline. Stimulus spending has had mixed effects on the well-being of the underprivileged primarily because the quality of distributed services and goods has been overlooked. If established socioeconomic successes are to be sustained, attention must be turned towards improving the quality of human capital building services for all members of society, including the underprivileged.

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Endnotes:

1. The poverty rate is defined as the percentage of the population earning a per capita monthly income at or below the national poverty line (United Nations, 2013). In 2004, the poverty line registered at R\$100 (US\$50) and was adjusted various times, registering at R\$140 (US\$70) in 2011 (Soares, 2012).
2. Extreme poverty is defined as living at or below a per capita family income level, which in 2011 was R\$70 (US\$35) per month (Soares, 2012).

