



imds
instituto mobilidade e
desenvolvimento social

Institute for Mobility and Social Development

Designing, testing, proposing, and disseminating impactful
public policies for social mobility.

Rio de Janeiro, 19 November 2020



Introduction

Brazil has achieved some important conquests in the field of combating poverty in the past twenty years. On the one hand, a wide array of income transfer programs, whose logical framework was established in the Federal Constitution of 1988, serving the most different target audiences, allowed for a reduction in the number of people in situations of extreme poverty; a substantial reduction in child labor; a fall in the number of families at critical levels of caloric absorption; and a substantial income gain for the elderly with low levels of schooling, providing them with lifetime income that in real terms may exceed the average gross salary they earned throughout their lives, due to the Continuing Benefit Provision (BPC) and the Lifetime Monthly Income (RMV) and their indexation to the minimum wage.

We managed to reduce inequality and poverty, but the profile of poverty, in some respects, is frighteningly similar to that of twenty years ago. Specifically, today's poor are the children of yesterday's poverty-stricken parents, which is a sign that Brazil still remains a country characterized by unequal opportunities.

The self-made man represents the great symbol of market economy. In countries where this does not exist, wealth is achieved in the society through “drawer contracts” contrived among the chosen few, with the permission of officeholders. The doors in these economies are closed to transformative innovations.

In Brazil, the profile of wealth and poverty is largely predetermined at birth. The poor are the sons of the poor; the rich, sons of the rich. More than unfair, it sends the wrong signal to enterprising individuals and, if it does not kill, it at least cripples capitalism in its dynamism and in its movements of disruptive innovation and self-renewal that characterize the most developed economies.

A high degree of intergenerational social mobility must therefore be an end in itself, if we are intent on building a fully democratic and just society in

the country, on the one hand, and a dynamic capitalism with unmarked cards, on the other.

The 2014 household sample survey included an intergenerational mobility supplement on schooling that made it possible to estimate the probability of the offspring's school progress in relation to that of the father.

Dividing people into seven categories (with no schooling, with incomplete elementary schooling, having completed Elementary School, with incomplete High School levels, having completed High School, with incomplete Undergraduate level, and those having completed the Undergraduate level), IBGE showed that in 2014 the child of an unschooled father had a 65.6% chance of dropping out before graduating from Elementary School.

Table 1: Frequency distribution of the child's level of schooling, conditioned to the father's schooling, 2014

Father * / Child **	No schooling	Incomplete Elementary and Junior High School	Complete Elementary and Junior High School	Incomplete High School Level	Complete High School Level	Incomplete Undergraduate Level	Complete Undergraduate Level	Total
No schooling	23.6%	42.0%	8.8%	3.8%	16.1%	1.5%	4.2%	100%
Incomplete Elementary and Junior High School	3.9%	27.9%	11.1%	5.0%	33.0%	4.2%	14.9%	100%
Complete Elementary and Junior High School	2.3%	8.9%	8.7%	4.3%	40.6%	8.4%	26.8%	100%
Incomplete High School Level	1.5%	6.6%	3.5%	4.1%	43.6%	11.6%	29.1%	100%
Complete High School Level	1.2%	4.4%	3.8%	2.6%	34.4%	12.4%	41.2%	100%
Incomplete Undergraduate Level	0.0%	2.2%	0.0%	1.9%	14.7%	14.1%	67.1%	100%
Complete Undergraduate Level	0.5%	2.1%	1.7%	1.6%	12.9%	12.2%	69.0%	100%

* Father's level of schooling when child was 15 years old;

** People aged 25 or over, who were living with their parents at the age of 15.

Source: PNAD/IBGE, Suplemento de Mobilidade, 2014.

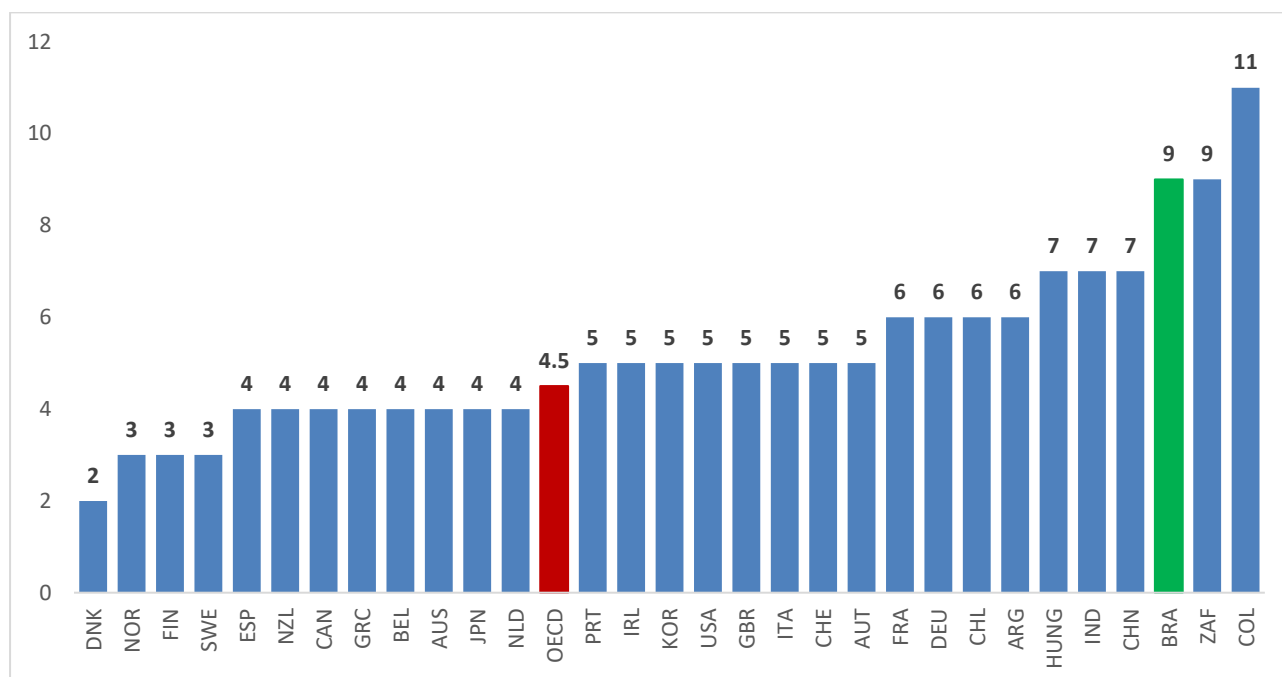
Since education is strongly correlated to income in the labor market, this is pretty much like saying that a poor or extremely poor person from a previous generation would have a 66% chance of raising his child to be poor. Using data for 2014, this same unschooled father had only a 16%

chance of raising his child to complete the High School level and a 4% chance of having his child go on to obtain a university degree.

Meanwhile, in the case of a father with a college degree, the probability of his child acquiring less than elementary education is less than 3% and the probability of having a son or daughter with at least a college degree is 69%.

The OECD, using permanent income data for parents and children, calculated the average number of generations that would be necessary for individuals born into families of the 1st decile of income to reach the mean income of distribution in their society. Even though it is not an accurate result, it reveals that the process of structurally lifting an individual born into a poor family from poverty is quite slow. The graph below illustrates the results.

Graph 1: Number of generations it would take for those born in low-income families to approach the mean income in their society



Source: OECD, DB Global Research, 2019

Brazil occupies a negative position with results equal to those of South Africa and behind only those of Colombia. It takes nine generations for an individual born in a family of the 1st income decile to obtain permanent income so as to achieve the middle decile of income distribution.

IMDS INSTITUTE: Experiments

- Our focus will be to implement pilot projects with a lasting impact on the well-being of the individuals being served. That is, interventions whose effects survive the end of the programmed support (see the Annex for examples of programs).
- Our *modus operandi* will preferentially be in partnership with public administrators, sharing knowledge based on the scientific method, from the idealization of the intervention model to the verification and estimation of the impact of said interventions. But we will also be able to operate in programs managed by the third sector, as long as this aspect is relevant to increase the speed of implementation and reduce operational risk.
- Each project's legacy must be twofold: learning about social programs with potential impact on social mobility and absorption of transparency, as well as maintaining impact measurement practices in typical government sector activities (with the introduction of methods based on evidence).
- Our fixed technical staff will be small to maximize investments in specific projects.
- Interventions require the elaboration of multi-stage processes: from thematic identification; selection of types of intervention; identification of partnerships (with governments, especially municipal ones, or with the third sector); pilot development (from territory diagnosis, logical "treatment" model; impact identification strategy; sample survey; selection of treatment and control groups; execution and measurement); to knowledge management and, whenever applicable, institutional development and improvement.
- The elaboration and proposition of institutional improvements will be part of our work. We include herein the construction of federal or state legislative frameworks whenever programs that prove to be successful and that have the potential for replicability and scalability depend on changes in legislation.
- The success of the projects will depend on the commitment of team players to minimize operational risks. The biggest challenge

will be exactly in the operations stage; hence, rigorous screening criteria for partners is essential.

- The implementation of each project will require network articulation to bring together academia and local public administrators, where communication and persuasion strategies will be as important an element as the treatment strategy.
- Although assessments based on control groups are preferable, it is still difficult to prevail upon politicians to carry them out. Thus, one of our social functions will be to convince them of the importance of so-called RCTs (Randomized Controlled Trials) to enable us to identify impact in a precise way. However, we will not shy away from using other techniques, especially when it comes to evaluating programs already under way.
- Our approach to governments will be selective: we will start from a set of supportable interventions, and will make calls for proposals, where governments will have to demonstrate a political willingness to support the intervention; and to indicate the existence of a good organizational environment for the implementation – a low degree of corporativism, and a propensity, on the part of staff members, to absorb the new ideas.

IMDS Institute: Impact Assessments of Existing Programs

- Our Institute will also carry out evaluations of existing programs, provided they are relevant to the public policy debate and have an expected impact on social mobility.
- For example, the *Bolsa Família Program* was initially thought to be a social mobility program, as its support was conditioned on children having school enrollment and vaccination cards. Later, it became better known as a program to fight poverty. Is it possible to know what happened to the first generations of *Bolsa Família* children who, nowadays, are having their first labor market experiences and, some of whom already have their own offspring? What can we tell about the impact of the program on the formation of their cognitive skills and on their labor income (isolatedly or compared to similar individuals not belonging to “treated” families)? What can we tell about their social behavior (Mating, risk-taking, etc.)? Moreover, we can identify changes in

the program that, while maintaining its social security objectives, may promote positive and permanent impact on social wellbeing. Once identified, we will propose legislative changes (eventually promoting advocacy events that help raise awareness of civil society).

- The *Minha Casa, Minha Vida Program* was thought of as being a welfare program. But, on moving families from dense areas to isolated ones, did it not have a negative intergenerational effect on children and adolescents - through, for example, the action of displacing them at times to areas with less quality urban services? In that case, we can hold a seminar on the program's existing impact assessments, and in time produce impact assessments with a focus on mobility.
- The evaluation of known public policies always raises the question of the cost-benefit of the action. Would it have been possible to achieve the program objective at lower costs? Some housing programs are more expensive than others. For example, a housing program in Mexico consisted of distributing cement to the population because the problem identified as critical was the effect that precarious housing had on children's morbidity from intestinal diseases. In this case, the most cost-effective solution was to replace the dirt floor of the buildings with a cement floor. The program has had an impact on school absenteeism and is therefore seen as having produced intergenerational effects.¹

IMDS Institute: Managing Knowledge and Mobilization

Our Institute depends on the mobilization of governments for the cause of mobility, and in the direction of scientific methods and with full accountability in public management. Without engaged governments, there will not even be the possibility of pilot projects nor the chance for

¹ <http://millionssaved.cgdev.org/case-studies/mexicos-piso-firme-program>

continuity. On the other hand, we know that government officials are motivated by pressure from citizens.

Therefore, an essential part of our work is mobilization based on knowledge accumulated in Brazil and abroad. A non-exhaustive list of services:

- awards for management focused on social impact and evidence-based policies;
- scholarships for masters and doctoral degrees in economics applied to social impact projects. Scholarships for other related areas of knowledge may also be awarded;
- TED Talks-style video classes given by academic experts;
- technical articles (experience surveys);
- policy positioning articles (Project Syndicate style);
- national and international events on selected topics.

IMDS Institute: Data Production

Our Institute will have an internal team to produce indicators on social mobility based on a methodology developed internally or by associated researchers. Such indicators will require precise methodological notes and will be obtained from public databases and will therefore be perfectly replicable by the user.

In addition to building indicators, we will also be able to design simulators for the impact of public policies on income inequality. For example, it is believed that policies to raise the minimum wage have an impact on income inequality. However, they can generate unemployment or increase informality. Incorporating the known elasticities, what is the net effect, and which groups benefit? We can, using state-of-the-art simulators, bring such models to our daily lives and generate periodic reports on the interaction between State action and their dynamic effects on the market.

IMDS Institute: Legislative Proposals

Many of the innovations in social programs that we rely on to develop our pilot projects were made possible through institutional mechanisms that do not exist in Brazil today. For example, the American *WorkAdvance* program (see Annex), was partially funded by the *Social Innovation Fund*, a public-private resource that aims to support innovations with potential for replicability in the fields of youth, equal opportunities, and healthy aging. One of the Institute's tasks will be the elaboration of legislative proposals that allow the adaptation of these instruments to the Brazilian regulatory framework, as long as we believe that such adaptations do not generate a great loss of efficiency for the instrument. Other examples can be Social Impact Contracts and the creation of a market for social debentures.

The way we produce and act

All pilot projects will be designed and executed by a team of associate researchers, from national and international universities, with varying levels of seniority.

Our associate members will ensure that the precepts of the Institute are preserved, guaranteeing they be protected against all political or private interests, fundamental to our permanence.

Our Board of Directors will also act to disseminate the Institute's principles to governments and other civil society partners.

Our Governance

- Technical Committee of excellence, which will have an active voice in the design of all our services.
- Executive Board formed by professionals engaged in the subject and experienced in management.
- Independent Supervisory Board.
- Highly qualified Technical Board made up of professionals with over 20 years of experience and renowned academic and professional trajectories.

Annex: Examples of Pilot Project Themes

All of our pilot projects will be designed with the aim of being evaluated. All evaluations will be published, regardless of the results, positive or negative. All evaluations will have the purpose of understanding the mechanisms by which the project worked or failed. We will prefer formal public policy experiments (such as randomized clinical trials), as they are more robust in terms of internal validity, but we will use quasi-experimental methods when it is not possible to participate in the design of the experiment. All the benchmarks on which we rely to develop the logical models of interventions have scientifically strong evidence of transformational impacts on the lives of beneficiaries. We will encourage replications of the same program, but in different scale and in different institutional environments. Our raison d'être is the improvement of public policy. Pilot projects only teach to the extent of their external validity – that is to say, how much the experiment tells about replicability and scalability. IDMS is not an academic institute, which is why external validity is an attribute that we will highly value.

1. Giving support to residential relocation from areas with few opportunities to areas with greater opportunities

Recent evidence shows, from an evaluation of the federal residential voucher program in the USA, that children benefit very positively (better grades in schools; better insertion in the labor market years later; less involvement in illegal activities; etc.) as a result of parents' residential relocation to areas with better social development (schools, hospitals, etc.). **Potential IMDS project:** Giving support (information about the quality of the school and health services in the neighborhoods; notary support - drafting contracts and other services; guarantor services, insurance for the tenant) for families who decide to move. **Benchmark:** Creating Moving to Opportunity, Seattle; GoSection8.com; **Target Audience:** Families residing with children (≤ 15 years) in low HDI areas. **Scientific references:** Chetty, et al. (2019, NBER); Bergman, Chan, Kapor, 2020.

2. Capacity building for entrepreneurship

What are the qualities required for business aptitude? Can personality traits and ethical values be instilled through public training programs? The standard form of employment is expected to change in the coming decades towards self-employment, which makes it more urgent to think of pedagogical strategies that work for the transmission of soft skills, especially for more vulnerable groups. **Potential IMDS Projects:** Support for the formation of soft skills (proactive personal attitude; ability to deal with risks and crises; ability to prioritize decisions; negotiation skills; decision-making under pressure) and values, geared to the enterprising activity. Sponsorship program (young entrepreneurs serve as role models for high school students who want to engage). Benchmark: Several small RCT (World Bank). **Target audience:** Depending on the intervention, young people “neither, nor”, high school students; microentrepreneurs. **Scientific references:** Campos and colleagues (2017); Lafortune and colleagues (2017); Bruhn and colleagues (2018).

3. Insertion in the labor Market and reduction of school dropouts

In 2018, Brazil had 10.8 million young people (between 15 and 29 years of age) who neither worked nor studied - 60% were out of the labor force, that is, not even seeking employment. There is evidence of positive long-term effects of training programs that transmit sector knowledge in partnership with the so-called sectoral-based contracting companies.

Potential IMDS Project: Structuring a training program, in partnership with interested city halls and business entities, with a focus on relocation, job retention, career progress, curriculum developed based on the needs of local applicants. **Target audience:** working-age individuals belonging to the lowest income distribution deciles. **Benchmark:** WorkAdvance; Project Quest

Potential IMDS Project: Retraining programs in deteriorated areas and pockets of urban poverty, consisting of three actions: a) on-the-job employment services; b) rent reductions for job seekers; c) community support, geared to encouraging the exchange of information within the neighborhood about employment. **Target audience:** The unemployed in families with children or adolescents (up to 12 years of age). **Benchmark:** Job Plus Model

Scientific references: MDRC (2016); Rodder and Elliott (2019); Corseuil and colleagues (2017); Abt (2016); MDRC (2014); Attanazio and colleagues (2015).

4. Socio-emotional training: improving academic performance through after-hour practices

Recent research shows that socio-emotional skills are complementary to cognitive skills in terms of their effects on academic performance. IMDS is interested in promoting any type of action that contributes to the socio-emotional progress of young Brazilians. These skills are organized into five groups (“the big five”): openness to new experiences, extroversion, kindness, conscientiousness, and emotional stability. In addition to the effects on academic performance, there is a consensus in the literature evaluating social programs that socio-emotional skills are as or more important than cognitive skills to explain social behaviors (involvement in crime, health habits, early pregnancy, among others), as well as being complementary to cognitive skills in explaining success in the job market. On the other hand, authors mention that non-cognitive abilities of the brain are developed even after adolescence (in this sense, they are said to be “malleable”). Despite this, little is still known about ways to stimulate the brain in this direction, especially how to do it with a young target audience. Our projects in this case will bring together teams of neurologists and psychologists to develop programs for different age groups for training in non-cognitive skills.

Potential IMDS Project: Summer Jobs. Experience with work environment, and access to mentoring. Weekly workload of 25 hours for six weeks during holidays; twenty hours of training. **Target audience:** Adolescents and young people between the ages of 14 and 20. **Benchmark:** Boston SYEP; One Summer Chicago Plus.

Potential IMDS Project: Sessions based on their own agendas, focused on encouraging the development of such skills at school. **Target audience:** Adolescents and young people between the ages of 12 and 21, with probability of dropping out, according to the epidemiological model. **Benchmark:** EPIS (Portugal).

Potential IMDS Project: Train leaders in public schools. **Target audience:** Adolescents and young people between the ages of 13 and 16. **Benchmark:** Educating DPASCHOAL.

Potential IMDS Project: Two years of counseling and activities that emphasize discipline and motivation. **Target audience:** Teenage dropouts. **Benchmark:** National Guard Youth Challenge (USA).

Potential IMDS Project: Parental training program and group activities. **Target audience:** Boys between the ages of 6 and 8 with a low socioemotional skills rating, especially those involved in disruptive activities in the classroom. **Benchmark:** Montreal Longitudinal Experimental Study (MLES).

Scientific references: Modestino and Paulsen (2019); Davis and Heller (2017). Heckman, Hsee and Rubinstein (2000); Heckman, Urzua and Sixtrud (2006); Carneiro, Crawford and Goodman (2007); Dos Santos, Berlinger and Castilho (2016); Martins (2010); Oliveira, Pazello and Menezes (2016); Millenski and colleagues (2011); Algan and colleagues (2011).

5. Support programs for vulnerable adolescents based on cognitive therapy

A series of decisions (repetition of school year; evasion; involvement in drugs or gangs; detention for violent crimes) are correlated. The tested hypothesis is that some of these decisions (particularly involving violent actions) would not have been made if the adolescent had not acted impulsively and, on the contrary, had rationalized before acting. The basis of the intervention is called cognitive-behavioral therapy (CBT).

Potential IMDS Project: CBT practices during school hours (Junior High and High School). **Target audience:** Vulnerable adolescents, with disruptive behavior, who attend school. Public schools in violent communities. **Benchmark:** Becoming a Man, Chicago.

Potential IMDS Project: CBT practices in a socio-educational institution. **Target audience:** Vulnerable adolescents, with disruptive behavior, in custody in a socio-educational institution. **Benchmark:** Becoming a Man, Chicago.

Scientific references: Heller and colleagues (2016); Dinarte (2018).

6. “No Excuses” Charter Schools:

The “No Excuses” model combines strict discipline (where students are required to perform, without distinction - “no excuses, for their attitudes, from how to keep their uniforms in order to the polite way of addressing school staff), with academic rigor (longer weekly instruction time; frequent feedback from teachers; high tutoring frequency; use of data to help guide instruction).

Potential IMDS Project: Implementation of a model in conflicted territory. **Target audience:** children and adolescents of enrollment age in Elementary School. **Benchmark:** Harlem’s children zone Promise Academy.

Scientific references: Dobbie and Fryer (2011).

7. General Violence prevention programs combining cognitive-behavioral therapy and training:

A major challenge for training programs for young people who are discharged from the prison system is the difficulty in a) identifying them; b) engaging them so they come for treatment; c) changing their behavior (which often involves a decision to change the type of work they do). The combination of CBT with training for the job market has been a promising concept and the object of impact assessments.

Potential IMDS Project: Combining CBT method with training. Machine-learning methodology for treatment and control screening. The treatment consists of offering vacancies in community work (bridge job). The target audience works an average of 30 hours a week, initially receiving more than the hourly minimum wage (for 18 months of treatment). There is a progression in remuneration as more responsibilities are added. The second element consists of cognitive-behavioral therapy (CBT) exercises. In addition, each individual has access to a personal development coaching program (the person being treated receives per session). Finally, social support for housing services, and for legal and mental health issues.

Target audience: Young men coming out of the penal system, between the ages of 18 and 21 or those belonging to gangs, living in violent communities. **Benchmark:** READI - Rapid Employment and Development Initiative, Chicago (preliminary evaluation with positive results).

Scientific references: Bertrand and colleagues (2020)

8. Prenatal care programs:

The effect of the fetus' health on future school performance has been well documented in literature. Research in developing countries shows the correlation between a child's birth weight and later cognitive development. However, there is practically no impact assessment on interventions focused on assisting pregnant women. Interestingly, this is a case of public policy that has been adopted both within a national (e.g., “*Chile Cresce Contigo*”) and a municipal context (e.g., programs like *Mãe Curitibana*, in Curitiba, or the *Cegonha Carioca*, in Rio), but little impact assessment has

been carried out. Such programs rarely include measures to encourage the mother to stay in school, so that an early pregnancy can have a positive effect on the mother's permanent income. The programs that have been evaluated show that the mere access to information has caused mothers to increase breastfeeding, their consumption of vitamin A, and prenatal checkups. This is a topic where the external validity and especially the scalability of the experiments has already been addressed by scientific literature.

Potential IMDS Project: Home visits for poor pregnant women during pregnancy and in the first two years of the baby's life. These visits serve to provide medical monitoring and to give beneficiaries access to dietary supplements. Also, to give support for school monitoring by the mother. At times, combine services with cash transfers **Target audience:** Pregnant women between the ages of 14 and 20. **Benchmark:** Memphis Nurse-Family Partnership; RCT-World Bank, Nepal; FAMI, Colombia; Reach Up and Learn, Jamaica

Scientific references: Figlio and colleagues (2013); Kumar and colleagues (2019); Levere and colleagues (2016); Attanasio and colleagues (2018)

9. Support for cognitive development in early childhood through early stimulation in the home and daycare centers:

The combination of both parents trained to interact with their children in the development stages of the spoken word, and the introduction of appropriate curricula in early childhood educational establishments has had extraordinary effects on many levels, and even years after the end of the intervention. The development of an agenda for adequate early stimulation of babies has also been shown to have had an impact on their cognitive development according to experiments applied in many countries, including in developing countries.

Potential IMDS Project: Short interventions (one year), where the treated families received home visits (1.5 hour visits, 4x a month) consisting of training and awareness (with conversation techniques and stimuli of the children and mother-child interaction), and a curriculum was applied in daycare centers (12-15 hour weeks, 30 weeks a year) with parental involvement. Development of curriculum extension from daycare to home. **Target audience:** Vulnerable families, with 2-to-3-year-old children, tested in the lower strata of cognitive development. **Benchmark:** Perry Pre-school; Abecedarian

Potential IMDS Project: One-hour visits per week, made by healthcare professionals over a two-year period, which taught parenting skills and encouraged mothers to interact with their children in order to develop cognitive and socio-emotional skills, and complemented these efforts with food supplements. Development of curriculum for early stimulation. **Target audience:** Vulnerable families with babies. **Benchmark:** Reach Up and Learn (Jamaica)

Scientific references: Heckman and Carapula (2019); Arteaga and Trias (2019); Gertler and colleagues (2014).

IMDS - Institute for Mobility and Social Development

Mission – disseminate public policies that impact on mobility and social development.

Vision – to be recognized as a reference in the development of effective public policies.

Strategic Goals

Socio-political - Sensitize society and relevant political actors, based on successful and replicable experiments, to implement public policies aimed at increasing mobility and social development.

Academic - Generate and disseminate qualified technical knowledge based on evidence.



Experiments:

Design incentive mechanisms for people to make decisions that have an impact on their structural life situation in order to leave the condition of vulnerability.

Values - engagement, independence, ethics, responsibility, innovation and creativity, commitment to results.