Executive Summary

This case study investigates the Vida Melhor (A Better Life) Program that the Bahia state government in Brazil launched in 2011 to promote the social and productive inclusion of disadvantaged (low-income, also called “popular”) microentrepreneurs, and highlights how a governmental social policy can interact with and provide services to a highly vulnerable, unorganized sector. The targeted entrepreneurs were so defined by their social vulnerability and difficulties in entering the formal labor market. Vida Melhor developed its own approach aligned with those features and based on the presence in poor communities of socioproductive inclusion units (UNIS) and of development agents residing in those communities. The agents interact with entrepreneurs through participatory economic feasibility studies, sharing knowledge to enhance businesses, and identifying demands to be met through a package of technical assistance provided through Vida Melhor, including professional training services, microcredit, small business registration, and equipment donation. The agents also identify demands for social policies, which are referred to the responsible public services.

Vida Melhor is aimed at helping the microentrepreneurs overcome social, economic, cultural, and symbolic barriers to promote their economic and social
inclusion by enhancing, respectively, their businesses and revenue and their access to other social programs. This study makes clear that the program design—community presence, neighborhood agents, dialogue, and educational interaction—was successful in attaining the involvement and sharing basic business notions with disadvantaged entrepreneurs, despite some limitations in the capacity of the agents. The technical assistance package and referrals to other social services, on the other hand, did not match the needs of disadvantaged entrepreneurs.

Moreover, this study highlights evidence that even a well-designed program will not become sufficiently effective and sustainable in the absence of mechanisms that promote coordination among the different institutions involved. In the case of Vida Melhor, the lack of coordination and communication among governmental bodies made it difficult for UNIS coordinators in the field to link up with other services (social workers, health, education, and others), without decisions on cooperation coming from the top of each respective area’s secretariat.

The main lessons from the case study are the following: (i) to provide better follow-up on disadvantaged entrepreneurs’ demands for products and services (such as vocational training, microcredit, registration of companies, and donation of equipment) by fostering partnerships with local institutions to reduce rigidity and logistical difficulties; (ii) to include on-the-job training, broader themes, and motivation dynamics in the training of development agents; (iii) to rethink the political and institutional arrangements for effective intersectoral coordination, one that assures continuity of leadership, political commitment, and monitoring of field institutions; and (iv) to improve information management and develop a system with managerial functions that may support decision making.

Introduction and the Contextual Conditions in Bahia, Brazil, in 2011

Carlos sells grilled meat skewers on the streets of Bairro da Paz, an informal settlement of 30,000 squatters in Salvador, Bahia, Brazil. Carlos had never known exactly how much he spent and earned in the course of his work. He only knew that the skewers he grilled could hardly make ends meet for his family. With the Urban Vida Melhor (Better Life) Program, however, Carlos learned to calculate his costs and revenue, and his sales jumped by 30 percent when he started using a specially-made meat grilling cart, which is both attractive and meets official hygiene standards.

Carlos is one of 11,000 economically disadvantaged entrepreneurs1 who are assisted by the Vida Melhor Program, created by the state government of Bahia in 2011 to promote the social and productive inclusion of disadvantaged entrepreneurs, most of them poor, self-employed workers whose most common feature is that they do not make any distinction between resources consumed by their business and those that sustain their families. Their economic activity is often carried out at home, and money spent on the business gets mixed with expenses to meet the family’s needs. This process leaves many disadvantaged entrepreneurs out of official statistics.

The life and work of disadvantaged entrepreneurs are fundamentally precarious in terms of housing, income, and consumption. Most of them live in informal settlements; their business revenue is small and erratic (for example, when the entrepreneur is taken ill, there is simply no income and no savings for a rainy day); and their business provides nothing but a subsistence living, with limited access to consumption to sustain their families. These people have few chances of getting a paid job with working papers.

In Greater Salvador, about 20 percent of the economically active population have historically been self-employed. In 2011, that percentage totaled around 400,000 people. If domestic employees, undocumented wage earners, and unpaid employees are also included as precarious workers, the figure climbs to 830,000 individuals. Adding in the unemployed,2 the total rises to more than 1.1 million people or about 53 percent of the economically active population.3 These numbers mean that “by its magnitude

1 “The economy of disadvantaged sectors (setores populares) refers to activities whose economic rationale is based on the generation of resources (monetary or otherwise) whose purpose is to promote and restore sustenance, and on the use of one’s own human resources, thus adding labor units but not investing capital. This economy includes activities carried out by low-income individuals and by families, as well as different modes of associative labor, whether formal or not” (Krzychete and Santana n.d.,1).

2 Unemployed people “with a labor potential” are part of the Vida Melhor target audience. In fact, many of these disadvantaged entrepreneurs define themselves as “unemployed.”

3 Government of Bahia and FLEM (2014, 6). Data from the 2011 PNAD (Pesquisa Nacional por Amostra de Domicílios – National Household Sample Survey) household survey.
and its structural nature, the reproduction of these forms of labor can no longer be explained away as a residual or transitory phenomenon.

Therefore, the development challenge that the government of Bahia hopes to resolve through Vida Melhor is to overcome the social, economic, and cultural barriers faced by disadvantaged urban microentrepreneurs by promoting their economic and social inclusion, both by enhancing their businesses and incomes and by providing access to other social programs. As a result, an alternative approach is needed, no longer focused on bringing people out of their disadvantaged economic sectors, but rather on strengthening them, based on a better understanding of the economy. It is precisely this outlook that makes Vida Melhor innovative. It is a much broader challenge that goes beyond the limits of a statewide program in Bahia, as it delves into how to institutionalize public policies for the social and economic inclusion of one of society’s least structured sectors. This leads to Vida Melhor’s delivery challenge: how a governmental policy program can interact with and serve a highly vulnerable and unstructured audience, for whom it is hard to adapt to the public sector’s administrative rules and whose family and business accounts are often comingled.

Tracing the Vida Melhor Program’s Implementation

The Vida Melhor Program was established in August 2011, in tandem with the federal government’s “Brazil Without Poverty” Program, to achieve social and productive inclusion through decent work for people in poverty and with a potential to work to raise their incomes. The Vida Melhor Program is structured to work in two contexts—urban and rural. The urban approach, in turn, has two components, one for collective disadvantaged entrepreneurs (solidarity economy) and one for individual disadvantaged entrepreneurs, who are the focus of this case study. Vida Melhor sits at the intersection between the economy and society, since it aims to promote both the economic inclusion of disadvantaged entrepreneurs and access to policies that will ensure their social rights. Moreover, it is clear in the concept behind Vida Melhor that the inclusion of disadvantaged entrepreneurs does not depend only on their own will and capacity, but also on creating a less hostile environment for them (particularly regarding public transportation, public safety, health, basic hygiene, and schooling), thus demanding intersectoral initiatives.

To achieve those objectives, the strategy that Vida Melhor adopted is essentially to “get into” the geographic, social, economic, and cultural universe of disadvantaged entrepreneurs and adapt to their characteristics and needs. The urban Vida Melhor’s approach was developed at the Salvador Catholic University (UCSAL) to meet the specificities of disadvantaged entrepreneurs. In 1999, the UCSAL launched a research and extension program, which is still underway, aimed at training multiplier agents in practices suitable to the sustainability of solidarity economic enterprises. In 2006 and again in 2009, the UCSAL participated in programs run by the government of Bahia that involved disadvantaged entrepreneurs. Those two experiences led to the adoption of the UCSAL’s approach into the Vida Melhor program in 2011. The approach is grounded in the grassroots reach of a technical assistance program into a community and the way it interacts with entrepreneurs through dialogue and education. Technical assistance basically involves an economic feasibility study (with major participatory and pedagogical aspects) on the disadvantaged entrepreneurs’ business activities, along with the identification and presentation of their particular demands for a package of services and inputs provided by the program (vocational training, microcredit, registration of companies, and donation of equipment).

Setting Up Socioproductive Inclusion Units and Organizing Local Residents to Be Development Agents

In operational terms, the program moved forward by (i) setting up socioproductive inclusion units (UNIS) in poor communities, run by social organizations

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4 Government of Bahia and FLEM (2014, 6). Data from the 2011 PNAD (Pesquisa Nacional por Amostra de Domicílios – National Household Sample Survey) household survey.

5 Government of Bahia and FLEM (2014, 3). The target audience is defined as disadvantaged entrepreneurs (self-employed or, in more general terms, having a labor potential), ages 18-60, with a priority for those enrolled in the General Registry for Social Policies, whose monthly family income is no more than one-half the minimum wage per person or no more than three times the minimum wage for the entire family.

6 IDB (2014, 4).
commissioned by the government; and (ii) organizing local residents to be development agents. The agents were responsible for the following sequence of activities: (a) a diagnosis of the local community; (b) registration, ranking, and selection of disadvantaged entrepreneurs; (c) a participatory economic feasibility study (EFS) that also educates disadvantaged entrepreneurs, in which the agent and the entrepreneur “discover” together the true value of their production and sales costs; (d) identification of the disadvantaged entrepreneurs’ demands; (e) drafting a technical report based on the EFS and presentation of the technical report with individual recommendations to each entrepreneur; and (f) responding to the needs of entrepreneurs for vocational training, microcredit, business registration, and donation of equipment. In addition, the agent identifies the needs of the entrepreneur’s family that can be met by social programs, refers them to health, education, and social workers, and encourages the collective organizing of initiatives based on networking and solidarity among entrepreneurs.

The information that the agents gather from entrepreneurs is periodically updated to oversee and assess their evolution, and is systematized in the Vida Melhor information system (SIVME), the program’s strategic management tool. Figure 1 is a flowchart of Vida Melhor activities: (i) the SEDES selects areas to establish UNIS units and selects and commissions social organizations to run each of them; and (ii) the social organizations then select, hire, and train development agents, who become responsible for technical assistance, ranging from the EFS to the package of social development agents, who become responsible for technical and (ii) the social organizations then select, hire, and train development agents, who become responsible for technical assistance, ranging from the EFS to the package of social services (see boxes 1 and 2 for more details).

**Vida Melhor’s Institutional Structure**

As a political strategy, the Vida Melhor management board, chaired by the governor’s chief of staff and made up of secretaries from each secretariat, was created to ensure all necessary coordination among the program’s intersectoral activities. The chief of staff in the governor’s office played a key role in designing this arrangement because of his own interest in Vida Melhor and his political weight as chairman of the board. That situation, as shall be seen, changed over time through the program’s successive phases.

Two executive committees were set up to handle, respectively, Vida Melhor’s rural and urban divisions. The urban division was coordinated by the Social Development and Anti-Poverty Secretariat (SEDES). From the outset, however, rivalries between participating secretariats raised barriers to intersectoral management and to the program’s implementation, as discussed below.

It is also noteworthy that throughout its history (2011–15), Vida Melhor was shut down three times. These were critical moments and had dire consequences on development agents (who were dismissed and later rehired), and on entrepreneurs (services to whom were suspended, at great cost to the program’s credibility). Those interruptions had to do with outside factors, state politics, and the government’s administrative problems. In all cases, the government did take steps to revive the program (although not always in a timely fashion) and/or to minimize the impact of shutdowns.

**The Program’s Legal Relations with Social Organizations**

The program underwent changes in formal relations with the social organizations responsible for managing the UNIS units and carrying out the fieldwork. The two

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7 When the first UNIS units were set up, the Bahia state government worked through agreements with social organizations that had previous experience in using the UCSAL methodology with disadvantaged entrepreneurs. Those social organizations were responsible for setting up the UNIS, managing the hiring of coordinators and technical personnel, training, and all the services provided to the disadvantaged entrepreneurs. In Brazil, social organizations are nonprofit, private law, legal persons whose activities must focus on teaching, scientific research, technological development, or protection and preservation of the environment, culture, or health. These organizations are regulated under Law 9637, dated May 15, 1998.
Box 1 Effects of the Management Contract on the Stakeholders

Adopting the management contract had different impacts on the institutions, the social organizations, the agents, and the entrepreneurs. For the SEDES, the management contract expedited analysis and approval of technical and accounting reports, and facilitated add-ons and contract renewals with the social organizations. This process, in theory, should have ensured greater continuity in services provided to agents and entrepreneurs. From the standpoint of the social organizations, the management contract also demanded greater discipline and stricter planning and execution to meet the goals. That change took some time, but gradually the social organizations did adapt well, and the management contract allowed them to define and distinguish functions that had been concentrated in the hands of UNIS coordinators, and even provided funding to hire people to take on some of those functions. Meanwhile, because of specific parameters within the management contract, there were negative impacts on the development agents and disadvantaged entrepreneurs, since, to achieve numerical targets of entrepreneurs included, less time was left for agents to interact with entrepreneurs. The UNIS units reorganized to ease the impacts of the changes, divided the themes analyzed by the EFS, and reduced, when possible, the number of meetings between agents and entrepreneurs, depending on the complexity of each business initiative.

social organizations selected were first commissioned without a tender process (through an agreement), but in early 2014 that agreement was replaced with a results-based management contract.

Under the initial agreement, the Regional Action Company (which has traditionally administered agreements with civil society organizations, although in rural areas) was responsible for the program’s financial control and accounting, while the SEDES did the technical coordination. This mismatch between the program’s physical and financial oversight created red tape. Under the management contract, SEDES had both physical and financial oversight.

Implementing the Vida Melhor Program with UNIS and the Development Agents

To begin the program, the SEDES set up five UNIS units around the state—three in Salvador; one in Lauro de Freitas, in Greater Salvador; and one in Feira de Santana. The location and scope of each UNIS were defined by comparing several variables such as concentration of poverty and the presence of other governmental programs such as Minha Casa Minha Vida, Pacto pela Vida, and Bases Comunitárias de Segurança. For each UNIS, a coordinator (with a higher education degree) was named, along with three university-level technical experts and 30 development agents. The experts help support the agents and are frequently in the field with them. The agents that the program hired each received 40 hours of training from the UCSAL on its approach to working with disadvantaged entrepreneurs.

To launch the program, the coordinators and experts visited and walked through the neighborhoods covered by their UNIS, identifying and mobilizing leaders while disseminating the program. In early 2012, the social organizations selected and hired the development agents in each UNIS, after disseminating public calls in the communities and then using logical-mathematical tests and personal interviews to select the candidates.

Once the agents were trained, they began to interact with the disadvantaged entrepreneurs on the EFS, which was generally one of the first diagnostic activities that the agents conducted as they began to work with the entrepreneurs. The EFS process collected data on their business, while also educating entrepreneurs and identifying their needs for technical assistance and public social services. Application of the EFS has shown that the entrepreneurs’ knowledge of their own income is a gradual learning process, through dialogue between the entrepreneur and the agent. During this educational process that the agents lead, there is a very clear impact from sensitizing entrepreneurs to the budgetary aspects of their business. The entrepreneurs prevention, located in certain disadvantaged neighborhoods in Salvador and Greater Salvador, in some cities along the state’s northern coast, and in the interior.
emerged from the EFS experience with a higher level of knowledge about themselves and their own business. This development enhanced the process of identifying the specific demands of each business and ensured much more qualified and precise responses.

The following two sections present the most relevant outcomes, as well as key challenges that arose during the program, taking into account the organizational, institutional, and political fluctuations that had impacts on the process.

Results from the Vida Melhor Program for Disadvantaged Entrepreneurs

In early 2015, the Luis Eduardo Magalhães Foundation (FLEM) conducted an evaluation of Vida Melhor. The main indicators produced by the evaluation, synthesized in Table 1, show an excellent performance by agents in terms of bringing in entrepreneurs and during the EFS
“diagnostic” phase, and good performance in the delivery of technical reports and identification of demands. However, the program’s delivery of goods and services in terms of technical assistance for productive inclusion clearly fell short of those demands.

The Vida Melhor Program surpassed its target of enrolling 12,000 entrepreneurs. Of those who entered the registry and remained in the program, over 86 percent participated in the EFS, but only 53.8 percent received a technical report with their EFS outcome. In 61 percent of the cases, the entrepreneurs expressed a need for vocational training, while 44 percent felt a need for goods or equipment. Of the entrepreneurs demanding training, however, only 28.6 percent actually participated in vocational courses, and of those in need of equipment, only 27 percent actually received anything. No data were received on how many entrepreneurs asked for microcredit, only that just 3 percent of all the entrepreneurs enrolled received loans.

Table 1  Indicators, Results, and Coverage from the Vida Melhor Evaluation, 2015

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Results and percentage of coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of entrepreneurs in registry (target: 12,000)</td>
<td>13,067 (11,290 active plus 1,777 dropouts) 115%</td>
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<tr>
<td>Number of EFS conducted in 2012–14/number of entrepreneurs in the registry</td>
<td>9,753/ 11,290 86.4%</td>
</tr>
<tr>
<td>Number of technical reports delivered/number of entrepreneurs in the registry</td>
<td>6,070/11,290 53.8%</td>
</tr>
<tr>
<td>Entrepreneur satisfaction with meetings on EFS (number of meetings, content shared, knowledge gained)</td>
<td>Total of “good” plus “very good” near 100%</td>
</tr>
<tr>
<td>Entrepreneur satisfaction with technical report (comprehension of report, content shared, knowledge gained)</td>
<td>Total of “good” and “very good” between 95% and 98%</td>
</tr>
<tr>
<td>Number of demands identified/entrepreneurs in the registry</td>
<td>6,921 want training/11,290 = 61% 4,444 want equipment/11,290 = 44%</td>
</tr>
<tr>
<td>Training provided/demands for training</td>
<td>1,929/6,921 28.6%</td>
</tr>
<tr>
<td>Equipment donations/demands for equipment</td>
<td>1,203/4,444 27%</td>
</tr>
<tr>
<td>Microcredit provided/number of entrepreneurs in the registry</td>
<td>338/11,290 3%</td>
</tr>
</tbody>
</table>

Source: FLEM 2015a.
Note: EFS = economic feasibility study.

Challenges Faced and Lessons Learned from the Vida Melhor Program

The Vida Melhor’s strategy was based on the program’s presence in poor urban communities through each UNIS and local resident development agents who interacted with entrepreneurs through dialogue and education. This format was successful in terms of the role of UNIS and particularly the development agents’ diagnostic activities, to map out the areas, enroll and rank entrepreneurs, conduct feasibility studies, and complete technical reports on business initiatives. The main barriers faced and lessons learned to enhance the program’s performance refer to (i) follow-up on the entrepreneurs’ demands for services and inputs;13 (ii) training of development agents;14 (iii) handling of information; and (iv) institutional arrangements and effective intersectoral coordination.

Responding to Entrepreneurs’ Demands

After the agents concluded the EFS and the technical report, when technical assistance for inclusive production actually began, several practical problems thwarted the program’s effectiveness. While the diagnostic and educational work was effective and productive, the services and inputs needed to improve the business initiative—to be provided by the program’s partners—suffered from rules and habits that are poorly adapted to the situation of disadvantaged entrepreneurs.

Vida Melhor was designed to package together four kinds of services or inputs, namely, vocational training, microcredit, registration of companies, and donation of equipment. However, the UNIS has no authority over such goods and services, which must be provided by other institutions. As opposed to the EFS, which adapts to the

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13 The FLEM evaluation treats such actions as separate projects within a single program, with institutional responsibilities located outside the program and functions beyond the reach of agents, and suggests that the social organizations’ contracts not hold them responsible for targets related to these activities.

14 The FLEM evaluation found that technical assistance activities involve building technical-professional information and knowledge, which is not provided in the agents’ training. Even the EFS is recalled by entrepreneurs more for its emotional and social aspects than for any of its technical features. Meanwhile, agents are praised in the evaluation for their dedication, identification with the program’s proposed methodology, understanding of their own leadership roles, and their capacity to bond with entrepreneurs.
situations of disadvantaged entrepreneurs, these goods and services were not necessarily suited to what was needed.

- For vocational training, entrepreneurs were referred by the agents to courses given by Vida Melhor’s partner institutions, but were often blocked by barriers related to their own precarious backgrounds. For example, courses in the “S System”\(^\text{15}\) have costs and schedules that are unsuited to disadvantaged entrepreneurs, while PRONATEC\(^\text{16}\) has minimum schooling requirements which, even when low, most of the entrepreneurs simply cannot meet.

- Microcredit raises formal restrictions for anyone who has ever defaulted on a bank loan, which is often the case of disadvantaged entrepreneurs.

- Company registration was not of interest for many disadvantaged entrepreneurs because, even though fees were reduced by the Individual Micro-Entrepreneur Law,\(^\text{17}\) the registration cost compromised other immediate expenses, which, for many, were more important than any future advantages that registration might provide (such as better procurement conditions, credit cards, or social security). The work done by SEBRAE, based on rigid targets for the formal registration of informal entrepreneurs in the broad sense, has also been criticized by the UNIS units (IDB 2014). Some disadvantaged entrepreneurs have chosen the formal registration path and have concretely benefited from it, but they are a minority.

- The donation of assets, such as equipment to be used by the entrepreneurs’ companies that Vida Melhor promised, suffered from delays in the purchase and donation of equipment by the SEDES, due to red tape in public sector procurement procedures. Entrepreneurs concluded their EFS together with the agents and felt better prepared and motivated to improve their business practices, but they needed better instruments, whose delivery was very slow. Despite delays, some entrepreneurs were very pleased with the quality of most of the equipment, such as ready-made kitchens, meat-grilling carts, and embroidery machines. It was also difficult for entrepreneurs to use some of the equipment, for example, digital sewing machines, and training was needed.

The Vida Melhor evaluation revealed that the impact of the powerlessness of UNIS over technical assistance activities was a poor response to demands expressed by entrepreneurs. However, some solutions were found to this problem, as follows:

- To reduce the rigidity and logistical difficulties of the training courses, social organizations and UNIS units partnered with local institutions that were experienced in vocational training. In Bairro da Paz, for example, the social organization revived a partnership it had with the local Colibri Cooperative, for training in food preparation and sewing, with equipment donated by Vida Melhor and from overseas sources (a European Union project and an Italian nongovernmental organization). These experiences were only partially successful, however, mainly due to the lack of additional funding to organize courses inside the communities (IDB 2014).

Other creative solutions included scholarships for disadvantaged entrepreneurs to participate in courses given by S-System and PRONATEC partners, so they could afford to leave their work to attend classes.

- To overcome the problems of access to microcredit for disadvantaged entrepreneurs, the UNIS in Feira de Santana created a Solidarity Revolving Credit Fund (an arrangement frequently promoted by the Banco do Nordeste), with support from an outside agency. The Vida Melhor board also partnered with other institutions, such as the Banco do Nordeste (CrediAmigo Program), BNDES,\(^\text{18}\) and Desenbahia,\(^\text{19}\) to facilitate access to loans, but these partnerships were limited since they restricted loans for anyone who had ever defaulted in the past.

- In terms of efforts to formalize the registration of disadvantaged entrepreneurs, discussions were underway with the SEBRAE to find a way around its rigid enrollment targets for informal entrepreneurs in the broad sense and to consider the EFS registration criteria.

- Finally, on equipment donations, each UNIS gave courses on how to use the equipment before its delivery. For embroidery machines, for example, whose

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\(^{15}\) The “S System” involves a number of institutions, the most important of which, in urban areas, are the SEBRAE (Brazilian Service to Support Micro and Small Businesses), the SENA (National Industrial Learning Service), and the SENAC (National Learning Service for Commerce), all of which offer technical assistance courses and vocational training.

\(^{16}\) The National Program for Access to Technical Teaching and Employment (PRONATEC) is a federal government program for the professional and technological education of youth, workers, and beneficiaries of income-transfer programs.

\(^{17}\) Complementary Law 128/2008, which defines individual microentrepreneurs as entrepreneurs whose yearly gross income is no more than R$60,000, and simplifies the process of legally formalizing a company, among other provisions.

\(^{18}\) National Economic and Social Development Bank, a federally owned bank and the government’s main long-term financial agent for investments in all segments of the economy, to implement social, regional, and environmental policies.

\(^{19}\) The state of Bahia’s development agency, a state government credit institution for social and economic inclusion.
instructions were unintelligible to entrepreneurs, the UNIS organized an ad hoc course that solved the problem.

**Training Development Agents to Address Issues**

The initial training of development agents was limited in that it did not cover problems that typically arise only during the actual fieldwork, caused by the emotional impact of close involvement in intrafamily problems (such as family violence, for example) or the disadvantaged entrepreneurs’ precarious living and working conditions, that is, issues that underline these people’s needs for policies to ensure their rights, which the agents were not trained to recognize or handle. The SEDES must provide agents with on-the-job training, using exchanges, horizontal contacts with teams in other locations, motivation dynamics, and social events. They needed to feel less isolated and more supported, both technically and in terms of motivation. In response to such training demands, since 2014 the SEDES provided a continuing education plan for agents, covering broader themes such as social welfare, political education, technical assistance for networks/groups, gender and ethnic issues, accessibility, environment and sustainability, and interpersonal relations (IDB 2014).

**Using the SIVME to Manage Information**

The agents recorded their interactions with entrepreneurs on notecards that were entered into the Vida Melhor SIVME. When the UNIS units began their work, it was hard to enter the data into the system due to its limited functionalities. The extreme diversity of disadvantaged entrepreneurs meant that certain situations could only be perceived in the field, and the UNIS often had to sit down with the programmers to rework the system. As a result, in 2014, a new tool was developed to help the UNIS and agents transfer the disadvantaged entrepreneurs’ data (expenses, sales, and revenue) into a format managers could use—the Entrepreneur’s Handbook. There was no sign, however, that the SIVME would rapidly evolve to become fully functional and meet the need to support decision making.

**Institutional Arrangements and Effective Intersectoral Coordination**

There can be no effective coordination among different sectors without an operable institutional framework, which hindered UNIS’ work and their response to demands from entrepreneurs and their families that required intersectoral policies.

The Vida Melhor Program’s intersectoral coordination was criticized as insufficient, due mainly to (i) changes in the governor’s office that sacrificed leadership for the program, since the successors did not share the same commitment to Vida Melhor; (ii) frequent changes in the command of secretariats involved in the program; and (iii) the partisan divvying up of secretariats in a broad government coalition. For those reasons, the management board almost never met and the executive committee, with no board guidance, lost any real decision-making power. Within the executive committee, moreover, there was little coordination between the SEDES and the SETRE, which were responsible, respectively, for individual entrepreneurs and entrepreneurial associations.

The lack of coordination and communication among governmental bodies made it difficult in the field for each UNIS coordinator to link up with other services (social workers, health, education, and others). Decisions on cooperation were put off by each secretariat’s superiors who did not prioritize Vida Melhor beneficiaries for local services, and there was no executive committee involvement in decision making either. The outcome of weak coordination had impacts on how agents could relate to entrepreneurs, who felt let down by those they expected to provide needed services to them.

The most important coordination should take place with the Social Work Reference Centers (CRAS), but this relationship was described as variable and sporadic, depending on the location and the availability of the professionals responsible for each CRAS (“With no institutional arrangement, it’s up to people”). Each CRAS, meanwhile, answers to the municipal government, which in Salvador is headed by a party in opposition to 22
the state government. This structure explains why the enrollment of Vida Melhor beneficiaries in the single registry for social policies (run by the CRAS), which should be compulsory, was only made a priority by the state government, thus reducing access to other programs for the neediest disadvantaged entrepreneurs.23

The Vida Melhor evaluation clearly raised the need for steps to make intersectoral work more effective, such as locating its coordination in an upper-echelon institution that is committed to the program, making it stand out as a political priority, and holding other participating institutions accountable for its implementation and monitoring. Vida Melhor was originally designed as a priority of the government of Bahia, with strong leadership from the governor’s chief of staff to organize the program. Even when that high-level leadership faded, the program and its main stakeholders upheld their commitment to the disadvantaged entrepreneurs. Perhaps only a new champion, however, would be able to improve the performance of Vida Melhor’s partner organizations.

Continuity of leadership is also important to uphold a political commitment. The poor performance of intersectoral coordination around Vida Melhor had much to do with frequent changes in the command of the state secretariats involved in the program and with the splitting up of those secretariats among different members of the governing coalition. After the new governor took office in 2015, the program was reorganized (although basic policies remained), when the SEDES merged into a new Secretariat of Justice, Human Rights, and Social Development (SJHDHS), along with the former Secretariat of Justice, Citizennry, and Human Rights. After some initial uncertainty, the SJHDHS ratified Vida Melhor’s coordination. The state government seized the secretariat’s restructuring as a chance to rethink Vida Melhor, particularly regarding its integration with other sectoral policies and services.

Another lesson learned in the institutional sphere is that building integration and coordination between institutions takes time. To achieve coordination among several institutions at once (such as social work, health, education, and so on) in the field, it must be built at the top of the hierarchy and be monitored in the field, since decisions on that relationship (which in practical terms mean prioritizing Vida Melhor beneficiaries for local services) are made at the top of the respective secretariats and must be monitored by the executive committee. It is also fundamental to have an internal communications strategy between the areas for the program to be known within the government, by all the areas and authorities involved in it. Finally, due to coordination gaps between sectors and institutions, Vida Melhor was not very effective at referring the most vulnerable disadvantaged entrepreneurs to policy bodies that might ensure their rights. Nonetheless, the approaches that Vida Melhor used were essentially correct—working through local grassroots networks, using resident agents, relating business management to family dynamics, and the educational dimension of the EFS. One notable impact was the sensitizing of entrepreneurs to the budgetary aspects of their business.

Final Considerations

Vida Melhor is an innovative program active in a novel setting, rife with uncertainties. Given this situation, the program must be adaptable by its very nature. The program’s critical points are clear to its main stakeholders, who have taken measures for successive adjustments, within their realms of power. Vida Melhor has been able to adapt its design and implementation stages to its target audience’s specific needs and capacities. The program’s design clearly foresees the need for intersectoral relations to overcome barriers holding disadvantaged entrepreneurs back and to respond to their demands for social protection and promotion policies. Mechanisms to identify those barriers and demands are operational in Vida Melhor, but institutional arrangements must be reassessed to make intersectoral dynamics more effective and allow the program to fully achieve its objective of supporting producers as individuals, families, or associations, in both urban and rural areas.

Bibliography

How to Support Urban Microentrepreneurs


ANNEX Interviewees

- Bahia state government
- André Santana, Vida Melhor coordinator, governor’s office
- Elisama Leal Melhor Reis, Vida Melhor coordination team, governor’s office
- Eva Borges, coordinator of the Urban Vida Melhor Program, SJDHDS
- Gabriel Kraychete, Salvador Catholic University – UCSAL
- Jandaíra Bomfim dos Santos, Nádia Holtz da Nova Moreira, and Andrea Dias Carvalho de Castro, Luis Eduardo Magalhães Foundation (FLEM)
- Viviane Quênia, consultant hired by the FLEM to evaluate Vida Melhor
- Lucas Carvalho, representative of the social organization, ICI
- Colibrís Cooperative staff