Social Development in Brazil

Fernando Kleiman
Advisor to the Vice Minister
Brasília - June, 6th, 2011

Population (est. 2010): 190 million people
Area: 8.5 million km²
26 states, 5,564 municipalities and the Federal District
GDP (2010): US$ 2.02 trillion
HDI: 0.699
Poverty rate (2009):
29.7% - ½ Minimum wage
10.9% - ¾ Minimum wage
Gini Index (2009): 0.493
Social Protection System in Brazil: Pre-Systemic Stage (1988 to 2003)

- While problem definition was taking place, the former set of policies was kept.
- Management was rationalized:
  - Design and Identification of Programs;
  - Normalization;
  - Creation of MDS;
  - Convergence: Social Assistance / Food and Nutrition Security / Bolsa Família – conditioned cash transfer program;
  - Decentralization of policies.

Social Protection System in Brazil: Systemic Stage (2003 to 2008)

Consolidation and articulation of actions;

- The State as an “agglutinator” of fragmentary initiatives.

- Pragmatic system design:
  - Unified Social Assistance System (SUAS) – Defining approach; means and functioning methods;
  - Bolsa Familia – Defining eligibility criteria, amounts, so on.
### Some results achieved

<table>
<thead>
<tr>
<th>Results</th>
<th>Data</th>
</tr>
</thead>
</table>
| Reduction of poverty and inequality                       | • 19.4 million out of extreme poverty; poverty index fell from 42.7% to 28.8%, and extreme poverty, from 12% to 4.8%:  
  • GINI: from 0.581 to 0.544 (2003-2008)  
  • Achievement of MDG target 1 ten years in advance  
  • Decrease of Inequality: from 2001 to 2008, the income of the bottom 10% grew six times faster than the top 10% (Ipea). |
| Promotion of food and nutritional security                 | Reduction of malnutrition among 0-5 year-olds, from 12.5% to 4.8% (2003-2008) |
| Reduction of the risk of child labor                      | Age 5 to 15: from 7.5% to 5.8% (2003-2008)                              |
| Conditionalities                                          | Monitoring school attendance has resulted in lower evasion rates among PBF beneficiaries (3.6% in Primary School and 7.2% in Secondary School) |
| Income                                                    | Cash transfers represent 3% of regional GDP. Impact on per capita income is 49%. |

### CONTEXT

- Over the last few years, there was a significative reduction of the population living under conditions of poverty and extreme poverty. This outcome was the result of the economic growth and political decisions.

- Highlights: the increase of the number of jobs e it´s formalizations, the real valuation of the minimum wage, the extention and consolidation of conditioned income tranfer programs (Bolsa Família, Benefício de Prestação Continuada) and the credit expantion.

- However, in spite of this recognized effort, 16.2 million people still live under conditions of extreme poverty.
LINE AND PUBLIC OF EXTREME POVERTY

- Line of extreme poverty: family income *per capita* up to R$ 70 ($ 45)
- Above the line adopted in the Milenium Goals/ UNPD ($1,25/day)
- Reference value for extreme poverty in the Bolsa Família program
- Public of Brasil Without Misery: 16,2 million people from all over the country, distributed as follows:

<table>
<thead>
<tr>
<th>Region</th>
<th>Total of people</th>
<th>Urban People</th>
<th>Rural People</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>16,267,197</td>
<td>8,673,845</td>
<td>7,593,352</td>
</tr>
<tr>
<td>North</td>
<td>2,658,452</td>
<td>1,158,501</td>
<td>1,499,951</td>
</tr>
<tr>
<td>Northeast</td>
<td>9,609,803</td>
<td>4,560,486</td>
<td>5,049,317</td>
</tr>
<tr>
<td>Southeast</td>
<td>2,725,532</td>
<td>2,144,624</td>
<td>580,908</td>
</tr>
<tr>
<td>South</td>
<td>715,961</td>
<td>437,346</td>
<td>278,615</td>
</tr>
<tr>
<td>Center-West</td>
<td>557,449</td>
<td>372,888</td>
<td>184,561</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Region</th>
<th>Total of people</th>
<th>Urban People</th>
<th>Rural People</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>16,267,197</td>
<td>8,673,845</td>
<td>7,593,352</td>
</tr>
<tr>
<td>North</td>
<td>2,658,452</td>
<td>1,158,501</td>
<td>1,499,951</td>
</tr>
<tr>
<td>Northeast</td>
<td>9,609,803</td>
<td>4,560,486</td>
<td>5,049,317</td>
</tr>
<tr>
<td>Southeast</td>
<td>2,725,532</td>
<td>2,144,624</td>
<td>580,908</td>
</tr>
<tr>
<td>South</td>
<td>715,961</td>
<td>437,346</td>
<td>278,615</td>
</tr>
<tr>
<td>Center-West</td>
<td>557,449</td>
<td>372,888</td>
<td>184,561</td>
</tr>
</tbody>
</table>

*Data from the 2010 Census (IBGE) – Private households permanently occupied*
CHALLENGE: THE MULTIDIMENSIONALITY OF POVERTY

Remove the extremely poor population from their condition, breaking the vicious circle of social exclusion

Main difficulties:
- They live in territories of low economic dynamism
- Low scholarity and qualification levels
- Precarious access to resources, job opportunities, productive activities and basic public services

The insufficient income is a relevant indicator of deprivation, but it is not enough. Social, geographic – least developed regions, precarious settlements – biological – age, health condition, pregnancy – factors multiply or reduce the impact of the income in each individual.

Among the least favoured, there is lack of instruction, land access and inputs for production, health, housing, justice, family and community support, credit and other productive resources, active participation in institutions and access to opportunities.

Take this complex feature of extreme poverty into account, it’s necessary to implement a multidimensional approach, which involves income transfer actions with general improvements of the social welfare and access to opportunities of occupation and income.
Ministry of Social Development and Fight against Hunger

THE PLAN IN MAPS

Income Insufficiency

Lack of public services

Opportunity Map

GOALS
GOALS

General goal
Promote social and productive inclusion of the extremely poor population, turning the percentage of the ones who live below the poverty line into residual percentage

Specific Goals
- Increase the per capita family income
- Extend the access to public services, citizenship actions and social welfare
- Extend the access to opportunities of occupation and income through productive inclusion actions in the rural and urban areas

GUIDELINES
GUIDELINES

- Integrated, democratic and transparent action of the bodies of the Federal Administration, in conjunction with entities of the Federation and civil society, promoting synergy so that the offered services and generated opportunities can reach the public
- Universalization of social rights, with assurance of the access of the extremely poor population
- Integration and articulation of income transfer action in conjunction with the general improvement of the social welfare and with the access to opportunities of occupation and income as a way of contemplating the complex feature of poverty
- Inclusion of the segments of the population which lives in extreme poverty, providing standard of living improvements, concerning the economic and social aspects as the base of economic development and as a part of the democratization process of the Brazilian society
- Preservation of the autonomy and respect of the people’s dignity, the fight against all forms of extreme poverty and reduction of social and regional inequalities
- Respect of generational, gender, ethnical, cultural diversities, articulating fight against discriminations and other forms of unequal treatment policies

LINES OF ACTION
LINES OF ACTION

- The overcome of misery requires priority in the sustenance of a long growth cycle – along with it, jobs necessary to the present and future generations will be created –, but it will be with growth in conjunction with strong social programs that we will beat the income inequality and promote the regional development.

- Therefore, the Brazil Without Misery plan seeks to increase the capacities and opportunities of extremely poor people, structuring governmental action in three lines of action: (1) Income Assurance, (2), Productive Inclusion and, (3) Access to Public Services.

- The articulated action of the public sector will result, in long term, in the increment of the extremely poor population income, as well as in a significant improvement in their life standard.
PROPOSAL: ACTIVE SEARCH AND INCLUSION IN THE BOLSA FAMÍLIA PROGRAM

Proactive STATE to create:

- Actions for the inclusion of the extremely poor families which live out of the protection and social promotion net in the Unified Registry and other actions of the public sector
- Inclusion of eligible people in the programs of income transfer and monetary benefits – Bolsa Família Program, BPC and retirement
- Perfect the mechanisms of focus of the Unified Registry
- Complementary Policy of income transfer of states and municipalities

Forms of Action:

- Mobilization actions for identification and inclusion of these population
- Data crossing
- New strategies for the access of the extremely poor population to the various public policies
Productive Inclusion

AXIS OF PRODUCTIVE INCLUSION

URBAN
- Generation of income and employment
  - Professional qualification
  - Intermediation/opportunities
  - Solidary Economy
  - Microcredit
  - Individual Micro Enterprise - MEI

RURAL
- Increasing of production
  - Access to means of production
  - Technical assistance and guidance to families
  - Access to markets
  - Self consumption
STRATEGY FOR RURAL AREAS

RURAL PRODUCTIVE INCLUSION

OBJECTIVE – INCREASING THE CAPACITY AND OPPORTUNITIES

FAMILY’S FOLLOW-UP

SEEDS AND SUPPLIES

FOMENTING

WATER FOR ALL

INCREASING THE PRODUCTION

ACCESS TO MARKETS

SELFCONSUMPTION
STRATEGY FOR URBAN AREAS
ACCESS TO PUBLIC SERVICES

OBJECTIVE – EXPANDING THE ACCESS TO PUBLIC SERVICES

INCREASE THE OFFER

Expansion of services and/or improvement of coverage

QUALIFICATION OF THE OFFER

Sensibilization, mobilization and servers qualifications
“Conclusions”

• Sectorial approach
  – Has been an important achievement through the last two decades
  – Is starting to get to its limit, turning out to be insufficient for our society needs

• System integration
  – Looks like our next step for building up a better and more equal place to live
  – It will be an effort for the next decades to come

Thank You!

Fernando Kleiman
Fernando.kleiman@mds.gov.br
www.mds.gov.br
+ 55 (61) 3433-1088
Bolsa Família Program (CCT)
Bolsa Família Program

➡ What is it about?
The Bolsa Família Program is a conditional cash transfer policy. It focuses on poor and extremely poor families. Poor families are those households whose per capita monthly incomes range from US$ 41.18 to US$ 82.36; the extremely poor families’ per capita monthly income is below US$ 41.17.

➡ In which aspects is BFP different from other CCT schemes?
✓ Decentralized organization and implementation;
✓ Cooperation among Government levels;
✓ Coordination among agencies;
✓ Conditionalities as a tool for: 1) achieving families’ commitment with attendance to health and education services; 2) enforcing the supply of services for the poor population (rights); 3) identifying poor families’ vulnerabilities
✓ Focus on the family rather than on its individual members;
✓ Free use of financial benefits;
✓ Funding of financial benefits: Federal Government budget.

### Conditionalities

<table>
<thead>
<tr>
<th>AREA</th>
<th>CONDITIONALITY</th>
<th>TARGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>HEALTH</td>
<td>following vaccination calendar, children’s growth and development</td>
<td>children under age 7.</td>
</tr>
<tr>
<td></td>
<td>Pre-birth and nursing health care</td>
<td>Pregnant women and nursing mothers.</td>
</tr>
<tr>
<td>EDUCATION</td>
<td>school registration and monthly attendance (minimum 85%)</td>
<td>children and teenagers between age 6-15.</td>
</tr>
<tr>
<td></td>
<td>school registration and monthly attendance (minimum 75%)</td>
<td>16-17 year-olds.</td>
</tr>
<tr>
<td>SOCIAL</td>
<td>Social, educational and community activities (Child Labor Eradication Program)</td>
<td>children up to age15.</td>
</tr>
<tr>
<td>PROTECTION</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Cadastro Único ("Unified Registry"): key features

- Instrument to collect data to identify and characterize the poor families in Brazil.
- Target population: families with per capita income of ½ minimum wage (R$ 320.00) up to three minimum wages (R$ 960.00). Currently, there are 19.5 million households enrolled in CADUNICO; approximately 13 million are beneficiaries of Bolsa Família.
- Purpose: identifying the characteristics of poor families and their individual members through the Social Identification Number (NIS); producing socioeconomic diagnosis of low-income families in Brazil, serving as an input for public policies in all levels of government.
- Types of information about families enrolled: characteristics of household, family composition, civil identification, educational level, employment status, labor market situation of each family member, income and total household spending.
- Transparency and control: auditing by crossing administrative databases of the federal government; biennial review of the socioeconomic situation of families registered; control by outside agencies and social control agencies.

Management shared with State and Local governments

- Municipal managers are responsible for identifying and registering of families, as well as offering services/support for the families in areas of health, education and welfare; State Government managers are responsible for providing support to municipalities in the implementation of BFP;
- The federal government supports states and municipalities through transfers calculated by the number of families supported by BFP and indexes of performance for municipal and state Governments - the IGD and IGDE;
- The IGD and IGDE are calculated from indicators of the quality of the Cadastro Único and the monitoring data of conditionalities of health and education;
- Areas where the resources can be allocated: management of conditionalities, monitoring of beneficiary families, registration of new families and review / update of data and implementation of complementary programs.
A typical beneficiary family

- Lives in the urban area of a Northeastern town, in its own household
- Is headed by a black woman, aged 37, self-employed, not covered by social insurance, with incomplete basic schooling.
- Has four people.
- Was registered and granted a benefit in Bolsa Família in 2006
- Its children attend public schools and are currently behind in school
- Earns a monthly per capita income of US$ 26.18
- Receives a financial benefit of US$ 60.00
Bolsa Família Program Outcomes

- **Reduction in income inequality**
  - 21% of the reduction achieved in income inequality was due to BFP (2004-2006).
  - Soares et al., 2006.

- **Extreme poverty**
  - BFP explains 18% of the reduction in the poverty gap and a quarter of the reduction in the square poverty gap (from 5.9% to 4.6%)
  - Soares and Satyro, 2009.

  - In 2009, 4.3 million out of 12.4 million beneficiary families have crossed the extreme poverty line (US$ 41.18 per capita monthly) by receiving the financial benefits
  - Senarc, 2010.

- **Impact of the financial benefits over the per-capita monthly income**
  - Median increase of income: 48.7% (from US$ 28.64 to US$ 42.60), which allows families to cross the extreme poverty threshold
  - Increase of 60% in the monthly per-capita income in North and Northeastern areas

Bolsa Família Programme Outcomes

- **Impacts on health**
  - Increase of child immunization rates (15-25 pp, according to the vaccine).
  - Beneficiary pregnant women have 1.5 as many pre-natal doctor attendances as non-beneficiaries with the same social and economic profile
  - Probability of being born full term is 14.1 pp higher for children in families that receive the benefit.

- **Impacts on education**
  - Increase of 4.4 pp in school attendance of 6-17 year-old children
  - Increase of 6 pp in school promotion of 6-17 year-old beneficiary children

  - Bolsa Familia students show lower drop-out rates than students of public schools
  - Source: Education Ministry (MEC)
System Rationale
Social Protection in Brazil

Social Protection System Levels

1st Level

2nd Level

3rd Level

High and Medium Complexity Services

Services

Complementary Benefits

System Rationale
Social Protection in Brazil

1st level - Benefits – Consolidation of Social Protection, achieving universalized levels in terms of target population.

Continuous Cash Benefit for the elderly and disabled in poverty
3,000,000 of beneficiaries

Bolsa Família
More than 12.7 million families assisted. The program was responsible for 17% of the decrease in social inequality in the country from 2003 to 2008.

CISTEINS (WATER TANK)
339 thousand units throughout Brazil

FIGHT AGAINST HUNGER
94% of children and 82% of adults, beneficiaries from Bolsa Família, have three or more meals a day
System Rationale
Social Protection in Brazil

2nd level - services – Expansion of the service network through the consolidation of SUAS in 2006;

<table>
<thead>
<tr>
<th>Program</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRAS</td>
<td>7,190 units throughout the country</td>
</tr>
<tr>
<td>PROJOVEM ADOLESCENTE</td>
<td>582,475 young people enrolled (June/2010)</td>
</tr>
<tr>
<td>PAA – Program for the Acquisition of Food from Family Agriculture</td>
<td>79,000 small farmers already benefited up to 2010</td>
</tr>
<tr>
<td>FOOD AND NUTRITION SECURITY FACILITIES</td>
<td>89 Popular Restaurants (120,000 meals/day)</td>
</tr>
<tr>
<td></td>
<td>404 Community kitchens</td>
</tr>
<tr>
<td></td>
<td>65 Food banks</td>
</tr>
</tbody>
</table>

System Rationale
Social Protection in Brazil

3rd level – Service Regulation– Service Network organized in hierarchical levels: Basic (Social Assistance Reference Centers - CRAS) e Specialized – Medium and High Complexity - CREAS).

<table>
<thead>
<tr>
<th>Program</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOCIAL PRODUCTIVE INCLUSION – PRÓXIMO PASSO – (NEXT STEP) PROGRAM</td>
<td>More than 23 thousand workers already qualified and 40 thousand enrolled for qualification</td>
</tr>
<tr>
<td>PETI – Program for the Eradication of Child Labor</td>
<td>820,256 children and adolescents assisted (June/2010)</td>
</tr>
<tr>
<td>CREAS</td>
<td>2,036 units throughout the country</td>
</tr>
</tbody>
</table>
Main Challenges

Quality

• Benefits;
• Service rendering;
• Regulating services

Integration

• Intra-system: Articulation: Actions and Programs;
• Inter-system: SUAS/SISAN/PBF
• Trans-system: Conditionalities and Productive Inclusion
• Intersectoral Integration— MS, MTE, MEC, MDA.

Integration of Public Policy

Intrasytemic: Integration of actions and programs that composes the Social Protection System SUAS, SISAN and PBF towards a unified system.

Intersystemic: Integration of the Social Protection System with the Social Promotion System.

Transystemic: Integration of the Social Protection System with the articulation for a productive inclusion.

Intersectoral: Integration between different governmental actors permeating all the action for social development.
Integration of Public Policy

<table>
<thead>
<tr>
<th>Type</th>
<th>Object of Integration</th>
<th>Actors / Partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intrasytemic</td>
<td>Social Protection System: Programs and Actions</td>
<td>MDS</td>
</tr>
</tbody>
</table>

An example of Intrasytemic Integration: Expansion of the guiding and integrating function of the Unified Registry beyond the currently established programs such as users, enhancing the effect of the Social Protection System actions.
**Integration of Public Policy**

<table>
<thead>
<tr>
<th>Type</th>
<th>Object of Integration</th>
<th>Actors / Partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intersystemic</td>
<td>Social Protection System and Social Promotion System.</td>
<td>MDS, MEC, MTE, MinC, MS, MPS, MDA</td>
</tr>
</tbody>
</table>

An example of Intersystemic Integration: The actions developed by the CRAS are structured in axes that happen in integrated way.
## Integration of Public Policy

### Example of Transystemic Integration

- **Type**: Transystemic
- **Object of Integration**: Social Protection and Productive Inclusion
- **Actors / Partners**: MDS, MDA, MTE

**Diagram:**
- **PAC**
- **BOLSA FAMÍLIA**
- **PAA**
- **MICRO CREDIT**
- **CONDITIONALITIES**
- **TERRITORIES OF CITIZENSHIP**
- **NEXT STEP**
### Integration of Public Policy

<table>
<thead>
<tr>
<th>Type</th>
<th>Object of Integration</th>
<th>Actors / Partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intersectoral</td>
<td>Social Policy of the Federal Government</td>
<td>MDS, MDA, MEC, MTE, MinC, MS, MPS</td>
</tr>
</tbody>
</table>

An Intersectoral Integration permeates the entire process of systemic integration.

---

27