Reducing Inequality
and
The Brazilian Social Protection System

South-South Learning Forum 2014
Rio de Janeiro, March 17
REAL GDP PER CAPITA* AND GINI INDEX**

(*) Values updated by the GDP deflator (2011). (**) Monthly household income.
(*** The PNAD was not collected in 2010 due to the completion of the IBGE Census. Source: NSCN/IBGE e PNAD/IBGE.
REAL PER CAPITA HOUSEHOLD INCOME GROWTH BY QUINTILE (%) – 2002/2012

Source: IBGE/PNAD. Note: Harmonized Data: Brazil, disregarding the Rural North
MINIMUM WAGE EVOLUTION
(R$ and % real variation)

Source: Brazilian Central Bank. Note: Developed by Ministry of Finance. Data: R$ and Var % real (deflated by INPC)
FORMAL JOBS EVOLUTION (in millions)

Source: RAIS/MTE. Note: Balanced by the end of the periods

+21.5 million formal jobs
BOLSA FAMILIA
PROGRAM
OUR LIFE GOT BETTER
SOCIAL BENEFITS (COVERAGE)

Benefit Types

Contributory

Non-Contributory

INACTIVE*

Old Age and Disability Pensions; Sickness and Work Injury Benefit

Social Assistance Benefits (Old Age; Disability)

ACTIVE*

Unemployment Insurance

Bolsa Família Program

(*) Inactive or Active in the labor market
1. Alleviate poverty and hunger

2. Increase school attendance and reduce dropout rates

3. Improve access to health services for children and for pregnant and breastfeeding women
BOLSA FAMÍLIA EXPANSION

Brazil Without Extreme Poverty Plan

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash transfers (US$ billions)</th>
<th>Families in Bolsa Família (millions)</th>
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<td>2013</td>
<td>12.0</td>
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</table>
IMPROVED HEALTHCARE FOR BOLSA FAMÍLIA’S CHILDREN

OUR LIFE GOT BETTER
50% increase in prenatal healthcare

14% reduction in premature birth rates

Less babies born underweight

99.1% children are vaccinated
Children aged from 0 to 5 years old

46% decrease in mortality rates due to diarrhea

58% decrease in mortality rates caused by malnutrition
STUNTING CHILDREN PREVALENCE (%) UP TO AGE 5 IN THE BOLSA FAMÍLIA PROGRAM

- 2008: 16.8%
- 2009: 16.2%
- 2010: 15.6%
- 2011: 15.1%
- 2012: 14.5%
EDUCATION FOR BOLSA FAMÍLIA’S CHILDREN HAS IMPROVED OUR LIFE GOT BETTER
Almost 16 million students are monitored for class attendance
BOLSA FAMÍLIA REDUCES EDUCATIONAL INEQUALITY

% of 15-year-old students in public schools at the appropriate grade level

- 20% poorest people
- 80% rest of the population

-37% reduction from 2002 to 2012
THE POSITIVE EFFECTS OF BOLSA FAMÍLIA ON EXTREME POVERTY AND THE ECONOMY

OUR LIFE GOT BETTER
EXTREME POVERTY REDUCTION (%)

Rate by age

- Without Bolsa Família
- With Bolsa Família before “Brazil Without Extreme Poverty Plan”
- With Bolsa Família after “Brazil Without Extreme Poverty Plan”

Reduction of 36%
Reduction of 89%
Bolsa Família keeps 36 million people out of extreme poverty
GDP Multiplier Effect

= US$ 1.78

Bolsa Família costs Brazil US$ 12 billion. This is equal to 0.46% of the GDP
ENDING EXTREME POVERTY IS ONLY THE BEGINNING
PLANO BRASIL SEM MISÉRIA
Pillars of the Brazil Without Extreme Poverty Plan

POVERTY MAP

Increasing capabilities and opportunities

- Income guarantee
- Rural and Urban Productive Inclusion
- Access to Public Services

Enhance income
Increase in terms of welfare

Active Search
Every family in extreme poverty must be part of *Bolsa Família*

- More than 1 million families have been located and included
- 500 thousand are yet to be found (estimate)
ACTIVE SEARCHING
ACTIVE SEARCHING – SOCIAL ASSISTANCE

- 1,197 social assistance mobile teams
- 113 speedboats for the mobile teams
ACTIVE SEARCHING
Single Registry: fundamental tool to identify extremely poor families and to plan BSM policies

Municipalities are responsible for keeping information updated (at least two years) – 5,570 municipalities in Brazil

25 million families with updated data

- Poor families – income must be less than half of minimum monthly wage per person
- Characteristics about who they are, where they live, facilities available, housing information, educational background, work and income, etc.
- It allows families to access more than 20 Federal Programs
SINGLE REGISTRY FOR SOCIAL PROGRAMS

- Municipal Programs
  - Reduced electricity bills
  - Child labor eradication

- Bolsa Familia
  - Professional training
  - Financial support for rural activities

- Provincial Programs
  - Adult literacy

- Housing Program
  - Benefits for the disabled and elders

- Access to Credit
  - Basic and special social assistance

- Cisterns
  - Green Grant
PRODUCTIVE INCLUSION

PRONATEC – professional training course: more than 530 types of courses offered to low income population without fees.
- 1 million enrollments made (Mar. 2014)

CRESER – Microcredit to production: lowered interest rates and expanded access bank network for low income families
- More than 1 million families from Bolsa Familia obtained credit

MEI – Individual Micro Entrepreneur: simplified procedures and taxation to increase microenterprises formalization
- More than 360,000 enterprises managed by Bolsa Familia beneficiaries

Rural technical assistance: intensive support to families’ production by providing assistance, resources and supplies
- 286,000 extremely poor families with better conditions to improve their production and income
ACCESS TO SERVICES

BRASIL CARINHOSO – Early Childhood Development: addressing poverty criteria in existing policies expansion
  ➢ 453,500 Bolsa Familia children enrolled in Early Childhood Education Programs (over 50% of growth from 2012)
  ➢ 66% increase in resources to school feeding
  ➢ Increase in distribution of iron and vitamin A, reaching 4 million children

MINHA CASA MINHA VIDA: housing units for low income families
  ➢ More than 500,000 units for low income (56% for Bolsa Familia beneficiaries)

MAIS MÉDICOS: expansion of medical services through allocation of physicians in low income areas
Leadership and government priority

"The highest determination of my government will be to eradicate extreme poverty and create opportunities for all”

Simple design

- Family registration is simplified, self-declared, and organized by local authorities
- Cash transfers through debit card
- Priority given to women by making them the primary account holders

Large scale and Easy replication

- We needed a scaled program that could easily be reproduced across a country as diverse Brazil

Clear targets and goals

- The importance of a national extreme poverty line

Monitoring and evaluation
PLANO
BRASIL SEM MISÉRIA