

# BOLSA FAMÍLIA PROGRAM

a decade of social  
inclusion in Brazil

Executive Summary

**Editors**

Tereza Campello  
Marcelo Côrtes Neri





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**WFP**  
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Brasília, 2014

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## INTRODUCTION

This publication presents summaries of the 29 chapters of the book “Bolsa Família Program: a decade of inclusion and citizenship” (“Programa Bolsa Família: uma década de inclusão e cidadania”), borne of a partnership between the Ministry of Social Development and Fight Against Hunger (Ministério do Desenvolvimento Social e Combate à Fome – MDS) and the Institute for Applied Economic Research (Instituto de Pesquisa Econômica Aplicada – Ipea). The complete volume, nearing 500 pages, was released in October 2013, on the tenth anniversary of the Bolsa Família Program (BFP). This executive summary, prepared in Portuguese and English, aims to expand the scope of the debate promoted by the book in Brazil and worldwide.

Over the past ten years, a broad agenda of improvements has been fulfilled. Apart from bringing together existing distinct actions, the BFP has created a new structure, improved mechanisms, added benefits and expanded the coverage and the distributional impact of cash transfers. The program consolidated itself and has become central in Brazilian social policy. At the international level, it is now considered a model in conditional cash transfer technology and is among the most effective actions to combat poverty. Owing to its results, Brazil received the first ever Award for Outstanding Achievement from the International Social Security Association and became the headquarters of the World Without Poverty (WWP) initiative, which spreads knowledge on poverty eradication.

Nearly 13.8 million households throughout the country participate in the program, a quarter of the Brazilian population. By the use of the Unified Registry for Social Programs (Cadastro Único or CadÚnico), an effective instrument of socioeconomic identification, and an ample set of benefits, it is possible for the BFP to relieve immediate material needs through the transfer of cash according to the different characteristics of each family. Furthermore, understanding that poverty reflects not only limited access to monetary income, the BFP supports the development of capacities of its beneficiaries by strengthening their access to health, education and social care, as well as providing access to a wide range of social programs.

This work aims to share with society through studies on the program, discussing in a qualified and critical manner its achievements and challenges. It can be of interest to a varied audience: public managers in the three spheres of government involved in the operation of social policy or members of other branches related to the BFP; students and researchers; international organizations; social movements; and society in general.

The MDS and Ipea thank the authors, who were able to produce creative, interesting and high quality texts in a short period of time, and also the technical team, who worked tirelessly on the task of organizing and consolidating this publication in different versions.

Criticisms and reflections are the first step to improving the BFP and it is expected that this work will help cement the achievements made in the last ten years. This will serve as a benchmark from which the country’s social policy will advance much further.

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### A DECADE DEBUNKING MYTHS AND EXCEEDING EXPECTATIONS<sup>1</sup>

Tereza Campello<sup>2</sup>

In 2003, the Bolsa Família Program (BFP) was taking its first steps, with a broad set of challenges still ahead. Its objectives were to contribute to the social inclusion of families constrained by extreme poverty by providing immediate relief to their situation, and to stimulate improvements to their education and health, in order to cease the intergenerational cycle of poverty reproduction. It was necessary to unify existing sectoral programs of cash transfer, consolidate the Unified Registry for Social Programs (Cadastro Único para Programas Sociais – CadÚnico), create a federal strategy for its management, monitor the conditionalities and ensure supply and access to basic services. Ten years later, the objectives were fully achieved and, in most cases, surpassed. Based on its wide coverage, excellent focus and significant impacts on the living conditions of the population, the success of the BFP is evident.

This author had the privilege of participating in a group formed in the Presidency, which was charged with preparing a draft of the BFP. This group, which included representatives from the ministries involved, was created in the beginning of Lula's government. There were a number of decisions that had to be made, many of them pertaining to lingering myths regarding the effects of a wide direct transfer program to the poorest citizens.

“There were a number of decisions that had to be made, many of them pertaining to lingering myths regarding the effects of a wide direct transfer program to the poorest citizens”

Opting for monetary transfers to households created great controversy due to the lack of control over their use. Experience has shown that households not only spend “correctly”, but are also able to create financial plans that broaden their perspectives and opportunities.

The belief that families would have more children to access more resources was also widespread. However, women who benefitted from the program increased their use of contraception. Fertility continues to decline and this trend has been greater among the poorest beneficiaries and the states with the highest coverage of the BFP.

The third myth is that the BFP would cause apathetic behavior, generate dependency and discourage the work of adults. However, there is no evidence of a disincentive to work or formalize.

The myth that the program would be a populist measure was also disproven. The BFP was consolidated, at an unavoidable level, as a State policy and a core element of Brazilian social protection. The direct payment provides transparency, reduces costs and strengthens autonomy. It is an institutionalized provision of access to rights that expands citizenship. These myths, products of conservative notions, are being left behind.

The BFP strives to combat poverty and inequality, but in a decade of expansion and

1. Summary of Chapter 1 from the book *Programa Bolsa Família: uma década de inclusão e cidadania*, MDS/Ipea (*Bolsa Família Program: a decade of inclusion and citizenship*).

2. Minister of the Ministry of Social Development and Fight Against Hunger (Ministério de Desenvolvimento Social e Combate à Fome – MDS).

improvements, the results far exceed what was initially expected. One could not foresee such an impact to the revitalization of depressed regions, to access to banking and commercial institutions, to credit or to planned consumption. No one could imagine how the stability generated by regular income would improve the quality of life. Nor could they imagine the degree of female empowerment that would result from the program's priority to women, holders of 93% of the cards.

There is evidence that the BFP reduces the prevalence of low birth weight and infant mortality caused by infectious diseases, malnutrition or diarrhea. Basic health care was strengthened by the program's conditionalities, increasing breastfeeding and vaccination rates and reducing the hospitalization of children. With regard to education, the conditionalities helped to increase the percentage of boys and girls in school. Students that are part of the BFP are no longer at a disadvantage in terms of school evasion and approval. They now do as well as other students.

The federal government invested in the operational and technical strengthening of the municipalities – the program operates in all 5,570 municipalities of the country – setting impersonal and transparent rules for registration. Enhanced and tested successively throughout the expansion of the BFP, the Unified Registry for Social Programs covers 40% of the population and now serves as a platform for other programs such as the Water for All (Água para Todos), Green Grant (Bolsa Verde), My Home, My Life (Minha Casa, Minha Vida), Popular Phone (Telefone Popular) and Social Tariff for Electricity (Tarifa Social de Energia Elétrica).

The Brazil Without Extreme Poverty (Brasil Sem Miséria – BSM) Plan, launched at the beginning of President Dilma Rousseff's term in 2011, strengthened its commitment to encourage growth with income distribution. It dared to go even further, proposing the ambitious challenge of overcoming extreme poverty. The plan is organized around three axes: the guarantee of income, which refers to the direct transfers for immediate relief of extreme poverty; productive inclusion, which provides opportunities for training and employment; and access to public services, that increases supply and induces priority service to those in greater need. With the Active Search, families living in extreme poverty that fall outside of the Unified Registry's coverage are found and included.

Values were adjusted, coverage was increased and new benefits for pregnant and lactating women were added. The biggest change introduced by the BSM came in 2012, with the establishment of a benefit of variable amount depending on the severity of poverty. The lower the income, the higher the amount paid, so that all families benefiting from the program would exceed the extreme poverty line, fixed at R\$70 monthly per person.

Initially paid to families with children and subsequently to those with teenagers, the new benefit was extended in 2013 to all the families of the BFP that were still in extreme poverty. In this manner, 22 million Brazilians were able to overcome the condition of extreme poverty since the beginning of the BSM. It was the end of extreme poverty, from the point of view of income, among the beneficiaries of the BFP. And it was only the beginning: the BSM continues to include families, to transfer cash, to promote productive insertion and to expand and improve access to services. As shown from these ten years of the BFP, there are no myths or obstacles that hinder the commitment to social development that now drives the Brazilian State.



## FROM BOLSA FAMÍLIA TO BRASIL SEM MISÉRIA: A SUMMARY OF BRAZIL'S RECENT JOURNEY TOWARDS OVERCOMING EXTREME POVERTY<sup>1</sup>

Luis Henrique Paiva<sup>2</sup>

Tiago Falcão<sup>2</sup>

Leticia Bartholo<sup>2</sup>

The Programa Bolsa Família (PBF) has brought about two important developments for the Brazilian social protection system: 1) it has merged similar programmes, which operated separately, thus eliminating gaps, overlaps and inefficiencies; and 2) it gave that system a new dimension by expanding transfers to households mostly headed by adults of working age, ultimately reaching out to groups that had enjoyed residual coverage of the system – especially children. Before the PBF, the social protection system in Brazil was mostly based on contributory and non-contributory benefits granted preferentially to individuals who had lost their productive capacity.

With regards to its institutional arrangements, the PBF's emphasis on conditionalities as a way to ensure families' access to basic education, health and social assistance services required strong intersectoral coordination. Institutional efforts to implement the PBF have also demanded intense coordination between the different layers of government (federal, state and municipality levels). The decentralised structure of social assistance services at the municipal level and of education and health structures has been key to the implementation of the programme at the local level.

However, the evolution of the programme hinged mainly on the creation of the Unified Registry of Targeted Social Programmes, made possible by the coordination of the different layers of government to implement the PBF, the main user of the registry. The Unified Registry currently encompasses 23 million registered low-income households. Of these, 13.8 million are PBF beneficiaries.

The PBF is at least as effective in reaching poor households as similar programmes in other countries. The adoption of self-reported income as a criterion for entering and remaining in the PBF has simplified communication with beneficiaries, given transparency to the granting of benefits and facilitated control checks. Other targeting tools are the estimated number of poor households in each municipality used as a parameter for setting the number of beneficiaries per municipality and periodic checks of the data reported by beneficiaries, cross-checking them with other administrative records.

Research on the PBF has shown that its targeting has remained very good, despite the substantial expansion of its coverage, which explains the programme's low costs (0.5 per cent of GDP) and its significant impact on reducing extreme poverty (Barros et al., 2010). It is estimated that the level of extreme poverty would be between a 33 per cent and 50 per cent higher without the PBF. The programme has also contributed to reducing income inequality, accounting for 12-21 per cent of the recent sharp decline in the Gini coefficient (Soares et al., 2010).

Studies have also dismissed fears that the PBF could discourage the participation of beneficiaries in the labour market or encourage childbearing among beneficiaries (Oliveira and Soares, 2013). Regarding education, the PBF led to lower drop-out rates and higher progression rates among beneficiaries (Simões, 2012). The longer a household remains in the PBF, the greater

“Twenty-two million people overcome extreme poverty since the launch of the BSM”

1. Summary of Chapter 2 from the book *Programa Bolsa Família: uma década de inclusão e cidadania*, MDS/Ipea (*Bolsa Família Program: a decade of inclusion and citizenship*). Also published by IPC-IG/UNDP in the series *One Pager*.

2. Ministry of Development and Fight against Hunger, Brazil.

the impact. In the health sector, in addition to the programme's contribution to reducing child mortality (Rasella et al., 2013), it was shown that beneficiary children have higher vaccination rates and pregnant women receive more prenatal care than non-beneficiaries with a similar profile.

The programme has positive effects on the entire economy. It has a large multiplier effect on GDP and on total household income, in addition to reducing regional inequalities. These results alone would justify keeping the PBF as it was in 2010. However, the launch of Brasil Sem Miséria (BSM – Brazil without Extreme Poverty), with its ambitious goal of overcoming extreme poverty in a very short period of time, has brought about new challenges. One of them is to include all households eligible for the benefit but which are not receiving it. From the launch of the BSM, in June of 2011, until July 2013, over 1.1 million extremely poor families were registered in the Unified Registry and added to the PBF through active search efforts made by all levels of government.

The other innovation was the effort to boost families' income so that they could overcome the extreme poverty income threshold (set at R\$70 per person per month). As such, the BSM adjusted the PBF benefit amounts; it increased the cap on the number of children and adolescents that could receive the variable benefit in each family; it began paying benefits to pregnant and lactating women; and, most importantly, it created a new benefit that closed the extreme poverty gap for all extremely poor families in the programme. Through these measures, 22 million people have overcome extreme poverty since the launch of the BSM. From an income perspective, that marked the end of extreme poverty among PBF beneficiary households.

But guaranteed income is but one of the pillars supporting the BSM. The plan also reinforces the provision of full-time education, with priority given to schools where most students are PBF participants. Through Brasil Carinhoso, the BSM expands access to child day care for PBF families and provides vitamin supplements and free medication. To improve employment opportunities at the local level, the BSM offers vocational training and undertakes labour intermediation, micro-entrepreneurship and solidarity-based economic activities. In rural areas, activities include technical assistance to family farmers and building cisterns in the semi-arid region.

Together, the PBF and the Unified Registry have provided a solid foundation for the coordinated expansion and consolidation of policies aimed at the most vulnerable segment of the population. At the same time, the BSM poses a constant challenge to the quality of the registry and of the PBF itself, as its success hinges on their good coverage and targeting performance.

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## CONSTRUCTION PATH OF THE INTEGRATED MANAGEMENT OF THE UNIFIED SOCIAL ASSISTANCE SYSTEM (SUAS), THE UNIFIED REGISTRY FOR SOCIAL PROGRAMS (CADÚNICO) AND THE BOLSA FAMÍLIA PROGRAM (BFP) FOR THE CONSOLIDATION OF THE BRAZILIAN MODEL OF SOCIAL PROTECTION<sup>1</sup>

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The Unified Social Assistance System (Sistema Único de Assistência Social – Suas), the Bolsa Família Program (BFP) and the Unified Registry for Social Programs (Cadastro Único para Programas Sociais – CadÚnico) of the federal government were important achievements for the Brazilian social protection in the last decade. The expansion of access to income transfers and benefits was accompanied by investments that ensured the creation of a net of services to grant social assistance rights.

The year 2004 represents a milestone in the construction of a new model of Brazilian social protection with the creation of the Ministry of Social Development and Fight Against Hunger (Ministério do Desenvolvimento Social e Combate à Fome – MDS), the institution of BFP and the approval, by the National Council of Social Assistance (Conselho Nacional de Assistência Social – CNAS), of the National Policy of Social Assistance (Política Nacional de Assistência Social - PNAS). The PNAS created the Social Assistance References Center (Centro de Referência de Assistência Social - CRAS), the Specialized Social Assistance References Centers (Centro de Referência Especializado de Assistência Social - CREAS) and the Program for Integral Family Care (Programa de Atenção Integral à Família – PAIF<sup>5</sup>). In 2005, with the Basic Operational Norm of the Unified Social Assistance System (NOB/SUAS), the SUAS became regulated and a new system of management and public funding began. It received continuous, regular and automatic transfers from the National Fund of Social Assistance (Fundo Nacional de Assistência Social – FNAS) to the Funds for Social Assistance of municipalities, states and the Federal District. The structural foundation was then established for the implementation of a public, democratic and participatory system in Brazil, with political and administrative decentralization, primacy of State responsibility and partnership with the civil society, through its participation in councils and social assistance entities.

“The core of the model adopted is the provision of a net of services that aims to strengthen family and community relationships through their ties and to expand access to services, rights and opportunities”

A cornerstone for the strengthening of the Social Assistance Policy adopted was the approval, in 2009, by the Tripartite Management Commission (Comissão Intergestores Tripartite – CIT), of the Protocol of Integrated Management of Services, Benefits and Income Transfers. This Protocol

1. Summary of Chapter 3 from the book *Programa Bolsa Família: uma década de inclusão e cidadania*, MDS/Ipea (*Bolsa Família Program: a decade of inclusion and citizenship*).

2. National Secretary of Social Assistance from MDS.

3. Advisor to the National Secretariat of Social Assistance from MDS.

4. Assistant Secretary of the National Secretariat of Citizenship Income from MDS.

5. With the National Typification of Social Assistance Services (Tipificação Nacional dos Serviços Socioassistenciais), the PAIF was renamed Service for Protection and Integral Care for the Family.

gathered important guidelines for the improvement of integrated management of access to income and recognized the interdependence between the SUAS, the CadÚnico and the BFP. The same year, the approval of the National Typification of Social Assistance Services (Tipificação Nacional dos Serviços Socioassistenciais) definitely established powers for the social assistance towards the provision of services, breaking a historical legacy of lack of definition and the overlap with other public policies.

Despite being new, the establishment of the SUAS got results and coverage across the country in few years. In June 2013, the system already counted on the adhesion of 99.7% of Brazilian municipalities. The structuring of the SUAS has been fundamental to ensuring a decentralized management of the CadÚnico and the BFP. It has also been fundamental in the care of families in social assistance programs and services. The social assistance net has also played a central role in the active search for families not registered in the CadÚnico and families that access the BFP but require priority attention because of their vulnerable situation.

The role of the BFP in the work done in the SUAS should be noted due to their inseparable and complementary relation. The CadÚnico and the BFP have contributed to the structuring of the SUAS by guaranteeing income security for families cared by the program. Furthermore, since the management of the CadÚnico is operationalized by the Municipal Secretariats of Social Assistance, the resources of the IGD-Bolsa have contributed to strengthening the decentralized management of the SUAS. The CadÚnico is an important management tool that has supported the process of planning and implementing the SUAS, while considering two central pillars of the policy's structure: the centrality on the family and the territory.

This scheme, which integrates income security and access to services through social work, oversees that demands of beneficiary families of the BFP and their social assistance benefits should be fully met as a strategy to overcome poverty and to expand access to social rights. It is evident, therefore, that the core of the model adopted is the provision of a service net that aims to strengthen family and community relations through their ties and to expand access to services, rights and opportunities. It proposes to go beyond the fight to survive circumstantial risks, encouraging the construction of possibilities for overcoming situations experienced, breaking intergenerational cycles of poverty and expanding access, opportunities and social protagonism.

The integrated management reveals a political intentionality of income distribution and social inclusion, through the use of tools and strategies that have allowed the construction of convergence between demands of the population and public investments, which ensures qualified services to the most vulnerable populations and establishes social protection as a right.

### **POSSIBILITIES AND LIMITATIONS OF THE EXPANSION OF SOCIAL PROTECTION THROUGH CLASSIC CONTRIBUTORY SCHEMES: NOTES ON THE SOCIAL SECURITY INCLUSION OF THE POOR WORKING POPULATION<sup>1</sup>**

Leonardo José Rolim Guimarães<sup>2</sup>

Rogério Nagamine Costanzi<sup>3</sup>

Graziela Ansiliero<sup>4</sup>

Brazil has been making significant advances in its social protection system in the last 10 years. These advances result from improvements made possible through the contributory pillar, such as social security, through non-contributory pillars, and through the coordination of contributory and non-contributory policies. Specifically with regard to social security, there has been a significant increase in the social security coverage of the population (graph 1).

Although these advances have not been homogeneous, as they seem to have reached different levels of intensity in different segments, it can be said that virtually all categories of workers benefit from improved access to labour and social security rights. The most significant improvements seen in social security indicators resulted from the combination of a generalised increase in the number of people employed in the formal sector coupled with social security inclusion measures aimed at groups with traditionally low levels of coverage, particularly self-employed workers – for example, the social security ‘simplified plan’ and Microempendedor Individual (MEI – individual micro-entrepreneur).

The improvement in the protection of the working population has affected all groups – male and female, urban and rural areas, metropolitan and non-metropolitan areas – reaching workers in various niches of economic activity, including agricultural activities, which is usually characterised by precarious work conditions and a historical and persistent lack of protection. Differences in coverage by gender, region and type of activity (agricultural and non-agricultural) have reduced. These positive results reflect the good economic dynamics experienced by the country – at least for most of the last decade – and the good performance of the labour market: lower unemployment, expansion of the formal labour market, increased real wages and income and better income distribution from a regional perspective.

Data from administrative records also lend credence to the diagnosis that social security coverage has been expanded. According to data from the Ministério da Previdência Social (MPS – Ministry of Social Security), the number of individuals who have made at least one annual contribution to the Regime Geral de Previdência Social (RGPS – General Social Security Regime) grew from about 39.85 million in 2003 to 67.1 million in 2012 – an increase of 27.3 million people (or 68.5%). In terms of average annual growth, the peak was about 6 per cent a year – in absolute figures, about 3 million additional contributors a year between 2003 and 2012. This pronounced increase is linked to significant levels of formal job creation during the period, as well as the increasing number of contributors among self-employed workers.

Despite this progress in the process of expanding social security coverage, nearly 30 per cent of the working population remain uncovered by social security. Another point to be considered is that as the level of protection of the working population grows, subsequent steps tend to become more complex than previous ones: those who are last in line for inclusion are prone to be the most vulnerable in an already fragile and heterogeneous environment.

1. Summary of Chapter 4 from the book *Programa Bolsa Família: uma década de inclusão e cidadania*, MDS/Ipea (*Bolsa Família Program: a decade of inclusion and citizenship*). Also published by IPC-IG/UNDP in the series *One Pager*.

2. Secretary of Social Security Policies.

3. Director of the Department of the General Social Security Regime.

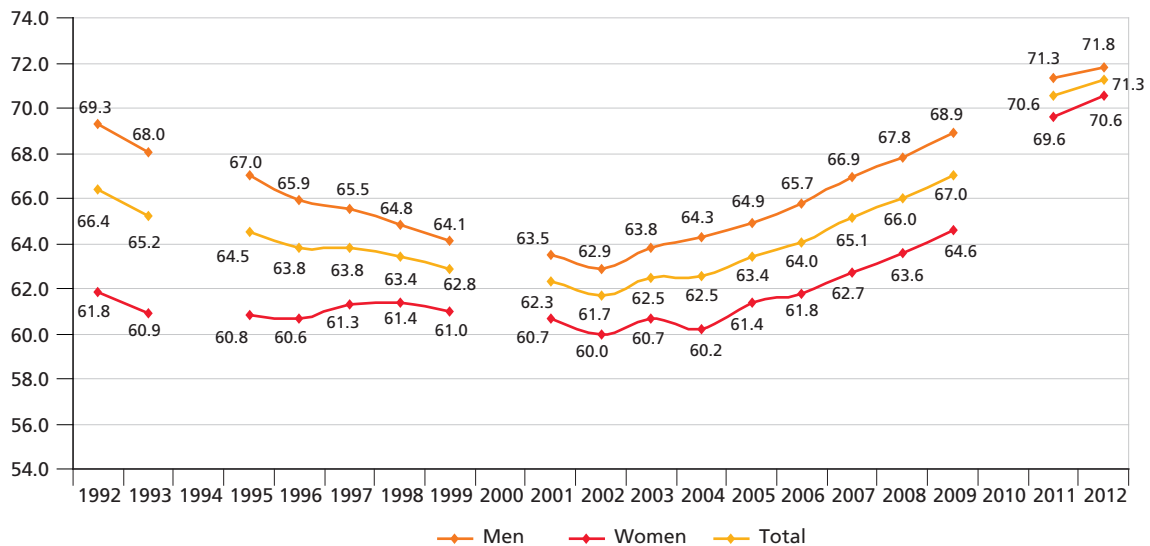
4. Public Policy and Government Management Specialist.

As such, the search for these citizens – often dispersed in a labour market still marked by labour and social security informality – is a challenge. In fact, in countries such as those in Latin America – where a significant proportion of the population earns a low income and, therefore, has a limited capacity to contribute – the advancement of social protection must necessarily involve the coordination of contributory, semi-contributory and non-contributory policies, as well as measures to reduce the precariousness of the labour market.

This makes it easier to understand the main justification for the scope of social security inclusion initiatives undertaken by the federal government, particularly in the last decade, which differ from the RGPS’s contributory rationale, as their ties between contributions and benefits are much weaker. The semi-contributory nature of such initiatives derives from the prevalent socio-economic profile observed in the unprotected working population – individuals who often do not have money to pay traditional social security contributions in addition to paying for the subsistence of their own families.

There are, however, limitations to the strategy of expanding social coverage through contributions, since a part of the working population, largely composed of adults in chronic poverty, are not able to contribute (despite subsidies), and the RGPS faces limitations in expanding coverage, to ensure actuarial soundness. The path ahead must necessarily include improved coordination between contributory (or semi-contributory) social protection and social assistance policies, so as to reach those who – temporarily or permanently – do not have the means to fund their own livelihoods or those of their families.

GRAPH 1  
Evolution in social security protection of the working population (16-59 years old) – Brazil (1992-2012)  
(In %)



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### **THE ROLE OF THE HEALTH SECTOR IN THE BOLSA FAMÍLIA PROGRAM: HISTORY, RESULTS AND CHALLENGES FOR THE UNIFIED HEALTH SYSTEM (SISTEMA ÚNICO DE SAÚDE – SUS)<sup>1</sup>**

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Patricia Constante Jaime<sup>3</sup>  
Ana Maria Cavalcante de Lima<sup>4</sup>

The right to healthcare for all Brazilian citizens, defined by the 1988 Brazilian Constitution (CF/88), was embodied in establishment of the Unified Health System (Sistema Único de Saúde – SUS), whose principles include: the universalization of guaranteed assistance to every citizen; the integrality of attention, including all necessary promotion, prevention, treatment and rehabilitation actions; equity, offering goods and services as needed; the decentralization of management, with participation from the federal, state and municipal governments; the regionalization and prioritization of the service networks; and participation of the community in the management of the system. Because of its universal character, the SUS is seen as an important policy to promote social inclusion and its advances are significant, despite persistent problems that need to be addressed to consolidate it as an equitable public system. Health inequities cannot be overcome without first combating social inequities, as such, these are dealt with through coordinated interventions. Promoting equitable access to health services is the most significant contribution of the SUS to the poverty reduction agenda in the country.

The conditionalities of the Bolsa Família Program (BFP) involve actions in the health, education and social care areas. The duties of the Ministry of Health (Ministério da Saúde - MS), shared with the state and municipal spheres of the SUS, are the supply of services for monitoring vaccination and nutritional surveillance of children under 7 years, as well as prenatal care to pregnant women and continued assistance during postpartum period. Although the conditionalities are directed at individuals, the focus of the actions is the whole family group.

For all the monitored indicators, the federal government agreed to a national target of monitoring 73% of the beneficiary households of the BFP, with the regionalization of goals between states and municipalities. It is worth noting that health conditionalities are monitored in semiannual cycles and in each period the lists of families to follow are disclosed to the municipalities. The data provided by municipalities is consolidated by the MS and sent periodically to the Ministry of Social Development and Fight Against Hunger (Ministério do Desenvolvimento Social e Combate à Fome – MDS), the federal manager of the program.

Since the first cycle in 2005 to the second in 2012, the number of families being observed by the Minister of Health increased from 5.5 million to approximately 11.8 million. In 2012, the SUS monitored the basic health care of approximately 8.6 million households. Of these, 5.1 million were kids, 13.8 million were women and nearly 165,000 were pregnant women.

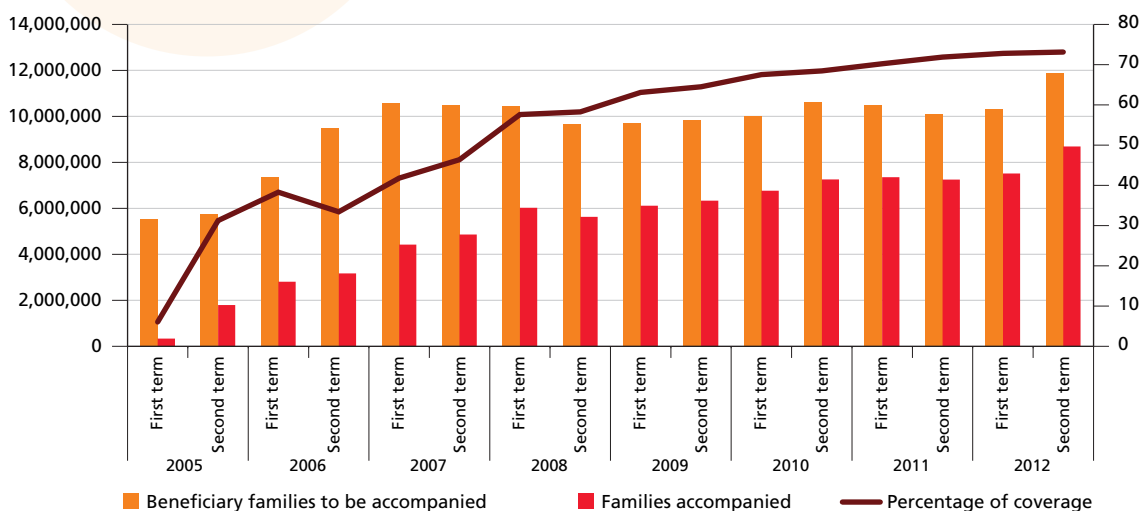
1. Summary of Chapter 5 from the book *Programa Bolsa Família: uma década de inclusão e cidadania*, MDS/Ipea (*Bolsa Família Program: a decade of inclusion and citizenship*).

2. Secretary of Health Care from the Ministry of Health (Ministério da Saúde – MS).

3. General Coordinator of Food and Nutrition from the Ministry of Health (MS) and professor of nutrition at FSP/USP.

4. Specialist from the Ministry of Health (MS).

GRAPH 1  
Evolution of the health conditionalities of the Bolsa Familia Program – BFP (2005-2012)



Source: Bolsa Familia Program Management System in health.  
Prepared by the authors.

The actions that comprise the health conditionalities demonstrate important progress. Of the children accompanied in the second term of 2012, 99.2% had their vaccination schedule up to date and 81% had their nutritional status evaluated. Out of the pregnant women monitored, 99% had up to date prenatal care and 80% had their nutritional status evaluated.

These are the impacts the BFP has on poverty reduction, reduction of income inequality and in boosting the economy. Health impact evaluations are important in contributing to the reduction of malnutrition, infant mortality and low birth weight. However, data on the nutritional status of beneficiary children from the BFP show that 14.5% had their growth stunted and 16.4% were overweight, significant problems to face.

Major challenges still remain on the health conditionalities agenda of the BFP. Out of a total of 11.8 million households covered by health care, it is unknown whether the 3.2 million that are not monitored have access to basic health care actions and services. Active searching by primary health care professionals, particularly those who make up the family health teams, is critical to identifying unmonitored families, families that have not received adequate and timely access to the SUS and those that have not yet been reached by public policies such as the BFP.



### TEN YEARS OF THE BOLSA FAMÍLIA PROGRAM: CHALLENGES AND PROSPECTS FOR THE UNIVERSALIZATION OF BASIC EDUCATION IN BRAZIL<sup>1</sup>

Clélia Brandão Alvarenga Craveiro<sup>2</sup>

Daniel de Aquino Ximenes<sup>3</sup>

The Bolsa Família Program (BFP) links the transfer of income and access to basic social rights such as health, food, education and social assistance to families who live in conditions of poverty and extreme poverty and seek to overcome their vulnerable state. Over the decades, families living in poverty have had greater difficulty in providing access to school for their children and adolescents and allowing them to complete their basic education. To break this cycle, attendance in school is a fundamental requirement of the program.

The education conditionalities of the BFP require a minimum school attendance of 85% for children and adolescents from 6-15 years old and 75% for young people aged 16 to 17 years old. To make sure these conditionalities are met, a bi-monthly collecting, processing and monitoring and coordinated actions between the Ministry of Education (Ministério da Educação – MEC) and the Ministry of Social Development and Fight Against Hunger (Ministério do Desenvolvimento Social e Combate à Fome – MDS) are required. The national monitoring network covers all 5,570 Brazilian municipalities, with approximately 30,000 operators in the Attendance System (MEC). Over 1 million people work to collect and track individual information of over 17 million students in nearly 170,000 schools.

If the conditionalities of the program are not met, the schools must report the reasons. A dialogue with the families is established, a warning is given, benefits halted, suspended and, in extreme cases, are cancelled. The families are constantly counseled, guided and informed through messages and letters. For those with repeated cases of non-compliance, the social assistance network is called in to assist with situations of vulnerability and social risk. The conditionalities are not only commitments from the families, but also from the government.

As for the number of students graduating from elementary school, up to the age of 15 years, while the national results of students in the BFP (75.6%) is slightly lower than that of other public school students (79.4%), their results are better in the poorest regions and regions with greater coverage of the program. The best example is the Northeast region, where 71.3% of students in the BFP manage to graduate elementary school by the age of 15, versus 64% of students in the public system not enrolled in the program. Over time these results are reversed with outstanding results achieved at the high school level for BFP beneficiaries.

In elementary school, the dropout rate is lower among students enrolled in the BFP compared to those not in the BFP. This is true in their early years (1.5% versus 1.8%) and final years (4.4% versus 4.8%), with a large difference in the North and Northeast regions. In the early years, the pass rate of students from the program is 7.1 percentage points (p.p.) lower than that of students in the public system not in the BFP. As we reach the final years of elementary school, this national difference drops to less than half (3 p.p.) and is reversed

1. Summary of Chapter 6 from the book *Programa Bolsa Família: uma década de inclusão e cidadania*, MDS/Ipea (*Bolsa Família Program: a decade of inclusion and citizenship*).

2. Professor of social theory at PUC-GO and director of the DPEDHUC/Secadi/MEC.

3. Director of the Department of Conditionalities of Senarc/MDS.

in the North and Northeast regions, with the advantage to the beneficiaries of the program superior to 3 percentage points in the Northeast.

In high school, the national results are significantly better for students that are part of the BFP, both in dropout rate (7.4% versus 11.3%) and pass rate (79.7% versus 75.5%). The dropout rate in high school is lower for students in the BFP in all regions, coming close to half the rate in the North (8.7% versus 17.1%) and less than half in the Northeast (7.7% versus 17.5%), where the pass rate of beneficiaries is 10 percentage points higher than that of other public school students.

The management of the education conditionalities must continue to improve. Regular effort from families and from the government is essential to continue the positive results reported. The Program for Monitoring School Attendance of Children and Vulnerable Youth (Programa de Acompanhamento da Frequência Escolar de Crianças e Jovens em Vulnerabilidade), a conditionality of the BFP, has great potential to contribute to the priority agendas of Brazilian educational policies, especially that of the universalization of basic education.

TABLE 1  
**Comparison of dropout rates between students in the BFP and other high school students from the public system - Brazil and regions (2012)**  
(In %)

|               | High School         |                |                     |                |
|---------------|---------------------|----------------|---------------------|----------------|
|               | Dropout rate        |                | Pass rate           |                |
|               | Students in the BFP | Other students | Students in the BFP | Other students |
| <b>Brazil</b> | <b>7.4</b>          | <b>11.3</b>    | <b>79.7</b>         | <b>75.5</b>    |
| North         | 8.7                 | 17.1           | 79.8                | 71.1           |
| Northeast     | 7.7                 | 17.5           | 82.6                | 72.0           |
| Southeast     | 6.3                 | 7.5            | 78.4                | 78.5           |
| South         | 8.4                 | 9.0            | 73.2                | 76.9           |
| Central-West  | 7.9                 | 11.4           | 75.0                | 72.8           |

Source: School Census (Censo escolar) 2012 (INEP, 2012) and MDS.

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### SUBNATIONAL PAYMENT SYSTEMS BASED ON THE BOLSA FAMÍLIA<sup>1</sup>

Marcelo Côrtes Neri<sup>2</sup>

After ten years of the Bolsa Família Program (BFP), Brazilian public policy enters, under the umbrella of the Brazil Without Extreme Poverty (Brasil Sem Miséria – BSM), what may be called a new social federalism. States and municipalities operate together through the federal platform of the Cadastro Único (CadÚnico, the Unified Registry for Social Programs) and the BFP, complementing actions with local innovations. The state and the city of Rio de Janeiro have created programs named, respectively, Renda Melhor (RM) and Família Carioca (FC), whose case studies can generate relevant reflections. Both make use of the operational structure of the BFP, which facilitates obtaining information, locating beneficiaries, issuing cards, synchronizing payment dates and access passwords.

The payment system of the two programs complements the estimated permanent income per capita of people up to the poverty line established, giving more to those who have less. Similar complementation was subsequently adopted in the BSM and the Chilean Ingreso Ético Familiar, which also follow the principle of estimation of income used initially in the FC and subsequently in the RM. Instead of using the declared income, the value of the Rio monetary transfers are set using the extensive collection of information obtained from the CadÚnico: physical configuration of housing, access to public services, education and work conditions for all family members, presence of vulnerable groups, disabilities, pregnant or lactating women, children and benefits from official transfers such as the BFP. With this multitude of assets and limitations, the permanent income of each individual is estimated. The basic benefit is defined by the poverty gap and priority is given to the poorest.

The programs use international benchmarks as a neutral ground between different government levels and mandates. Their poverty line is the highest of the first millennium goal of the United Nations (UN): US\$ 2 per person per day adjusted for the cost of living. The other poverty line of the UN, US\$ 1.25, was implicitly adopted in the R\$ 70 which was set as the national extreme poverty line in 2011. The exchange of methodologies between federal entities has happened both ways.

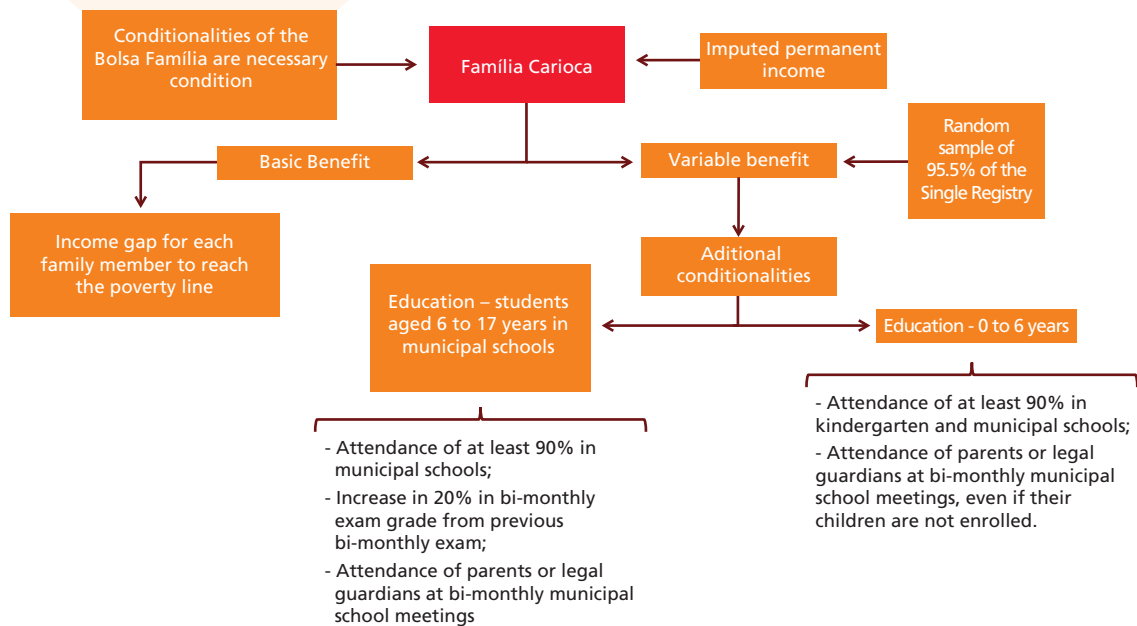
In partnership with Caixa Econômica Federal, the FC began with the 575,000 individuals living in the city of Rio de Janeiro who were on the payroll of the BFP. Its system of impact evaluation also follows students included in the CadÚnico but not in the BFP, as a control group. This is possible because all students in the municipal school system write standardized examinations bi-monthly. In the educational conditionalities, the two programs reward students' progress, a potential advantage for those who most need to advance.

The municipal program requires greater school attendance than that of the BFP and the presence of students' parents at the bi-monthly meetings held on Saturdays. Students must achieve a grade of 8 or improve at least 20% in each exam to receive a bi-monthly premium of R\$50. There is no limit on the premiums received per family and the requirements vary in vulnerable areas of the city. In early childhood, priority is given to the poor children in the CadÚnico to enroll in kindergarten, preschools and complementary activities.

1. Summary of Chapter 7 from the book *Programa Bolsa Família: uma década de inclusão e cidadania*, MDS/Ipea (*Bolsa Família Program: a decade of inclusion and citizenship*).

2. President of Ipea and Chief Minister of the Secretariat of Strategic Affairs of the Presidency.

FIGURE 1  
Structure of the Familia Carioca Card



Prepared by the author.

Obs.: performance increases starting from 7.5 for 1st to 5th years and 6.5 for 6th to 9th years; Schools of Tomorrow (in selected favelas' areas) 7.0 and 6.0 respectively.

The state program reaches more than one million people with a payment system similar to the municipal one. Moreover, it innovates in that it transfers awards given to high school students to savings accounts. The prize increases and is paid to the student, who can withdraw up to 30% annually. The total can reach R\$3,800 per low-income student.

The State and the city reward education professionals according to student performance, completing the chain of demand incentives on poor students and their parents. Increased performance is higher among beneficiaries and the presence of their guardians at meetings is twice compared to non beneficiaries; results that are better than those observed in the United States. Only the Houston program, which also focuses on aligning the incentives to teachers, parents and students, show such positive results.

In general, the plan is to explore strategic complementarities, where the whole is greater than the sum of its parts. The objective is to stimulate, through targets and incentives, synergies between social actors (teachers, parents, students), between areas (education, assistance, work) and different levels of government. The cited programs sum their efforts and divide labor so as to multiply results and make a difference in the lives of the poor.

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### THE PROFILE OF POVERTY IN BRAZIL AND ITS CHANGES BETWEEN 2003 AND 2011<sup>1</sup>

Pedro Herculano Guimarães Ferreira de Souza<sup>2</sup>  
Rafael Guerreiro Osorio<sup>3</sup>

This text summarizes the profile of poverty in Brazil in 2003, the year the Bolsa Família Program (BFP) was established, and in 2011, based on data from the National Household Sample Survey (Pesquisa Nacional por Amostra de Domicílios – PNAD/IBGE). We investigate characteristics of four income classes, defined according to their household income per capita: the extremely poor (less than R\$ 70 in 2011 prices); poor (greater or equal to R\$ 70 and less than R\$ 140), vulnerable (greater or equal to R\$ 140 and less than R\$ 560) and non-poor (greater or equal to R\$ 560). The lines of extreme poverty and poverty follow the definitions used by the BFP and the Brazil Without Extreme Poverty Plan (Plano Brasil Sem Miséria – BSM) in 2011. The vulnerability line is four times the poverty line and slightly higher than the minimum wage in 2011 (R\$ 545).

Between 2003 and 2011, the Brazilian per capita income grew by over 40%, from about R\$ 550 to just over R\$ 770. Income inequality measured by the Gini coefficient decreased by 9.2%, from 0.576 to 0.523. Extreme poverty fell by 8% to just over 3% of the population and poverty dropped from 16% to 6%. The only income class that increased its relative population share – by more than 15 percentage points (p.p.) – was that of the non-poor, although the vulnerable are still the largest segment (49% of the population). Such improvements indicate the possibility of reducing extreme poverty – and maybe even poverty – to merely residual levels in the PNADs in the near future if this recent performance is sustained.

Even though poverty fell in all regions, the poor are increasingly concentrated in the Northeastern and Northern regions. In 2003, 56.3% of the extremely poor and 38.1% of the poor lived in small municipalities in these two regions, respectively; in 2011, these figures had risen to 64.9% and 50.7%. Thus, the problem is increasingly typical of these areas, in which 20% of the national population resides.

The composition of the income of the lower income classes changed considerably over the past decade. In 2003, it followed essentially the Brazilian pattern, with great participation of labor market incomes. However, in 2011, the share of labor incomes among the extremely poor plummeted and social transfers – mostly linked to the BFP – became their main income source.

The data suggest that it will become more difficult to promote social inclusion via economic growth and job creation. Despite shrinking educational differences between the income classes, those who remain in extreme poverty have very fragile ties to the labor market and non-participation is high. The poor are better connected to the labor market, although they hold mostly informal jobs.

1. Summary of Chapter 8 from the book *Programa Bolsa Família: uma década de inclusão e cidadania*, MDS/Ipea (*Bolsa Família Program: a decade of inclusion and citizenship*).

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Fortunately, the BFP remains very well targeted. Its coverage grew from less than 50% to 80% of the extremely poor individuals. The reasonably low value of the benefits was not enough to lift most of these individuals and their families out of extreme poverty by itself, but the redesign of the program in 2011 is probably going to have a positive impact in the next few years.

Regarding the demographic characteristics of the families, it is interesting to note that family size has become more homogeneous, with a 20% decrease in the number of members of extremely poor families. In fact, childless families are now more prevalent among the extremely poor than families with four or more children. Other than that, the strong correlation between race and income was somewhat weakened and there is now no distinction between the extremely poor and poor. The gender of the household head does not correlate significantly to income class.

TABLE 1  
Relative income composition of segments – Brazil (2003 and 2011)

| Sources of income               | Extremely Poor (%) |              | Poor (%)     |              | Vulnerable (%) |              | Non-poor (%) |              | Total (%)     |               |
|---------------------------------|--------------------|--------------|--------------|--------------|----------------|--------------|--------------|--------------|---------------|---------------|
|                                 | 2003               | 2011         | 2003         | 2011         | 2003           | 2011         | 2003         | 2011         | 2003          | 2011          |
| Labor market                    | 75.6               | 33.2         | 77.4         | 66.9         | 76.0           | 72.5         | 76.0         | 78.0         | <b>76.1</b>   | <b>76.6</b>   |
| < 1 SM                          | 56.8               | 31.6         | 22.7         | 38.7         | 5.8            | 8.7          | 0.3          | 0.8          | <b>2.9</b>    | <b>2.9</b>    |
| = 1 SM                          | 9.8                | 0.9          | 18.3         | 16.8         | 6.8            | 11.6         | 0.4          | 1.2          | <b>2.8</b>    | <b>3.5</b>    |
| > 1 SM                          | 8.9                | 0.8          | 36.4         | 11.4         | 63.4           | 52.2         | 75.3         | 76.0         | <b>70.4</b>   | <b>70.2</b>   |
| Social Security                 | 5.8                | 1.2          | 13.8         | 9.3          | 19.1           | 19.9         | 18.3         | 17.6         | <b>18.3</b>   | <b>18.0</b>   |
| <= 1 SM                         | 5.3                | 1.1          | 12.3         | 7.9          | 12.0           | 15.5         | 1.4          | 3.0          | <b>4.6</b>    | <b>5.7</b>    |
| > 1 SM                          | 0.5                | 0.1          | 1.5          | 1.4          | 7.2            | 4.4          | 17.0         | 14.6         | <b>13.7</b>   | <b>12.3</b>   |
| BPC (Continuous Cash Benefit)   | 0.5                | 0.1          | 0.7          | 1.6          | 0.3            | 1.8          | 0.0          | 0.2          | <b>0.1</b>    | <b>0.6</b>    |
| PBF                             | 10.5               | 60.9         | 3.1          | 17.6         | 0.4            | 2.5          | 0.1          | 0.1          | <b>0.3</b>    | <b>0.9</b>    |
| Others                          | 7.7                | 4.6          | 5.1          | 4.7          | 4.2            | 3.2          | 5.5          | 4.1          | <b>5.2</b>    | <b>3.9</b>    |
| <b>Total (%)</b>                | <b>100.0</b>       | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b>   | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b>  | <b>100.0</b>  |
| Per capita income (R\$ de 2011) | 42.92              | 38.74        | 104.39       | 109.84       | 301.32         | 338.34       | 1,451.32     | 1,443.89     | <b>546.63</b> | <b>770.37</b> |

Source: PNAD/IBGE.

Obs: In constant 2011 R\$.



### **SOCIO-ECONOMIC PROFILE OF THE PROGRAMA BOLSA FAMÍLIA RECIPIENTS: WHAT DOES THE UNIFIED REGISTRY REVEAL?<sup>1</sup>**

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Joana Mostafa<sup>5</sup>

Camargo et al. (2013) discuss the socio-economic profile of Programa Bolsa Família (PBF) recipients<sup>6</sup> based on an analysis of the information available in the Unified Registry. In March 2013, the Unified Registry database contained information on 24.5 million families, of which 23 million (91 per cent) had per capita household incomes of under half the minimum wage – the income bracket that encompasses its targeted group. Out of this population, 13.9 million households (or 50 million people – roughly 26 per cent of the Brazilian population) are PBF beneficiaries and receive an average benefit of R\$149.71. These families comprise 3.6 people on average. Most of them (50.2 per cent) live in the north-eastern region of the country.

Before receiving the PBF, most of the recipient families had been in extreme poverty (72.4 per cent), which means that their per capita household income was under R\$70.00.

An analysis of the family composition of PBF recipients reveals that female-headed single-parent households represent the largest group (42.2 per cent), followed by two-parent families (37.6 per cent). This percentage suggests a trend in the coping strategies adopted by the most vulnerable families, given that, in many cases, the spouse's presence and income within a household is erratic, as demonstrated by several anthropological studies conducted on recipients. Part of this phenomenon can also be explained by the increase in the number of single mothers among Brazilian families, especially those with low incomes.

Using the 2010 census as a reference, a comparison with the national figures reveals that PBF beneficiary households have poor access to public utilities. The same result was found for all items analysed.

Only 38.1 per cent of PBF households have simultaneous access to direct or indirect waste collection services, public sewage systems or septic tanks, electricity and public water supply networks. Even in urban areas, where such services are regularly provided, only 48.9 per cent of recipient families benefit from a complete service package. In rural areas, this percentage drops to 5.2 per cent for PBF households.

The majority of PBF recipients are women, and black or mixed-race individuals. The large number of young people under the age of 17 (48.8 per cent of the recipients) is yet another noteworthy feature. This young profile is to be expected, since the social security policy and the non-contributory benefits provided to senior citizens (BPC) cover most of the elderly population, preventing this group from being poverty-stricken.

1. Summary of Chapter 9 from the book *Programa Bolsa Família: uma década de inclusão e cidadania*, MDS/Ipea (*Bolsa Família Program: a decade of inclusion and citizenship*). Also published by IPC-IG/UNDP in the series *One Pager*.

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4. Adviser to the Unified Registry Department, MDS.

5. General Coordinator for Monitoring and Improvement of the Unified Registry, MDS.

6. This document summarises the main findings of the article of the same name published in Campello, and Neri (2013). *Programa Bolsa Família: uma década de inclusão e cidadania*.

Schooling levels among PBF recipients are quite low: over two thirds (69 per cent) of programme participants have not concluded primary school. The fragility of this population is more dramatic in the north-eastern region of the country, where 20.3 per cent of the recipients above the age of 25 are illiterate.

On the one hand, the identification of these vulnerabilities in different dimensions of the lives of PBF beneficiaries confirms that the programme is adequately targeted and that the Unified Registry is an effective tool to identify low-income families. On the other hand, it also reveals several challenges that must be tackled to overcome poverty.

A deeper analysis of the socio-economic condition of the poorest segments of the Brazilian population demonstrates, albeit recent positive evolution, that racial issues, gender-related aspects, schooling levels and access to public utilities must be addressed by cross-cutting actions implemented at all levels of government. It is also extremely important to coordinate cash transfer programmes with the provision of services and the productive inclusion of the poorest population groups. Additionally, local investments must be encouraged in sanitation services and waste collection systems, which are essential to improving the health conditions of this segment of the population.

FIGURE 1  
Percentage of families by income bracket  
(In%)

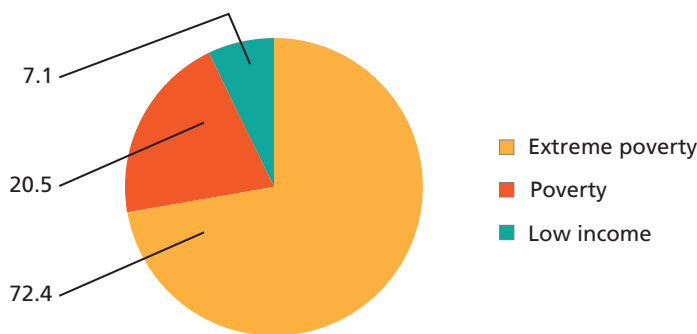


FIGURE 2  
Access to public utilities  
(In%)

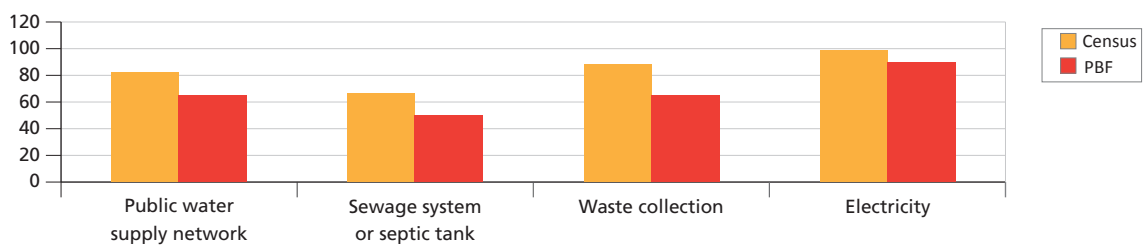
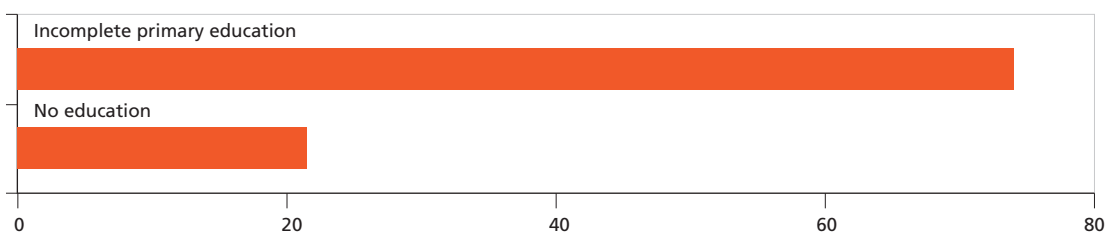


FIGURE 3  
PBF Recipients (aged 25 or older)  
(In%)



Prepared by the authors.

### **BOLSA FAMÍLIA AND ITS IMPACTS ON THE LIVING CONDITIONS OF THE BRAZILIAN POPULATION: A SUMMARY OF THE MAIN FINDINGS OF THE II IMPACT ASSESSMENT OF THE BOLSA FAMÍLIA<sup>1</sup>**

Paulo de Martino Jannuzzi<sup>2</sup>  
Alexandro Rodrigues Pinto<sup>3</sup>

This study provides empirical evidence of the effects of the Bolsa Família Program (BFP) from the II Impact Assessment of the Bolsa Família (Avaliação de Impacto do Bolsa Família – AIBF II), research completed in 2009, following the design of the first round of data collection in 2005, with quasi-experimental methodology. The research was conducted by the Ministry of Social Development and Fight Against Hunger (Ministério do Desenvolvimento Social e Combate à Fome – MDS), with financial and technical support from the World Bank.<sup>4</sup>

The Center for Development and Regional Planning (Centro de Desenvolvimento e Planejamento Regional – Cedeplar) of the Federal University of Minas Gerais (Universidade Federal de Minas Gerais – UFMG) was responsible for the sample selection in the first round, with data from 15,426 families, enrolled or not in the Unified Registry for Social Programs (Cadastro Único de Programas Sociais – CadÚnico). The treatment and control groups were not randomly assigned from the same base register, but by a set of documented procedures following ethical and methodological procedures for this type of research. Addresses and municipalities were not disclosed to the MDS in order to preserve the internal and external validity of the research. The process of removing any identification was conducted by the International Food Policy Research Institute (IFPRI) with the Datamétrica Institute (Instituto Datamétrica).

The 2009 sample included 269 municipalities across the country, with over 11 thousand households. In 10,369 of them, the existence or inexistence of BFP beneficiaries was identified in two rounds. Between 2005 and 2009 there was a loss of 26%, mainly due to incorrect or non-existing addresses (64% from the loss) or change in the address (32%). Calibrating the propensity scores set the weight of the records.

Beneficiary children of the BFP showed school progress 6 percentage points (p.p.) higher than the non-beneficiaries with the same socioeconomic profile. The program increased school attendance in the Northeast, which may have contributed to a reduction in child labor.

Beneficiary pregnant women had access to more prenatal care (1.6 more visits) and the birth weight of their children (3.26 kg) was higher than that of non-beneficiaries (3.22 kg). Between 2005 and 2009, the fraction of pregnant women beneficiaries of the BFP without prenatal care fell from 19% to 5%, a significantly greater fall than the one observed among non-beneficiaries. The proportion of children of beneficiaries exclusively breastfed during their first six months of life (61%) was higher than non-beneficiaries (53%). Their vaccination rates were also higher, especially against diphtheria, tetanus, pertussis and poliomyelitis.

1. Summary of Chapter 10 from the book *Programa Bolsa Família: uma década de inclusão e cidadania*, MDS/Ipea (*Bolsa Família Program: a decade of inclusion and citizenship*).

2. Secretary for Evaluation and Information Management of the MDS and professor of Ence/IBGE and ENAP.

3. General Coordinator of Demand Evaluation of the Secretariat for Evaluation and Information Management of MDS.

4. The results, questionnaires and microdata can be found at: <[www.mds.gov.br/sagi](http://www.mds.gov.br/sagi)>.

The AIBF II shows that the program causes no demobilizing effect of beneficiaries in the labor market. Heads of beneficiary families have levels of employment, work hours and search for employment very close to those of non-beneficiaries with equivalent socioeconomic profile. With regard to female participation, the beneficiaries have lower employment rates, while subject to a higher risk of unemployment. According to the research, beneficiary women tend to adjust their weekly workload at the expense of a formal contract, by opting for shorter work hours or because they are unaware of the compatibility between having a formal job while retaining the benefit of the program.

Compared to non-beneficiaries, the women beneficiaries – who are in large majority the cardholders of the program – have been acquiring greater autonomy and power in family decisions, purchase of durable goods, medicine and clothing, participation in the labor market and in the use of contraceptive methods, trends that certainly contribute to the significant decline of birth rates in the country.

The BFP is perhaps the most analyzed Brazilian social program in recent years. Nearly 7000 researchers study issues relating to the program's subject matters and from 2004 to 2010, 799 studies were produced. Given this interest, more must be invested in meta-evaluations, specific studies and on the experiences of states, municipalities and other countries to sustain the process of continuous innovation in the program design and the Brazilian social protection system.

TABLE 1  
**Distribution of households surveyed by the Impact Evaluation of the Bolsa Família Program – 2<sup>nd</sup> Round (AIBF II), according to condition in 1<sup>st</sup> round (AIBF I)**

|                  | Condition for receiving the benefit<br>Bolsa Família Beneficiaries                      | AIBF II (2009)              |                                        |               |
|------------------|-----------------------------------------------------------------------------------------|-----------------------------|----------------------------------------|---------------|
|                  |                                                                                         | Bolsa Família Beneficiaries | Non-beneficiaries of the Bolsa Família | Total         |
| AIBF I<br>(2005) | Bolsa Família beneficiaries                                                             | 1,844                       | 929                                    | <b>2,773</b>  |
|                  | Non-beneficiaries of the Bolsa Família, enrolled in the Unified Registry (CadÚnico)     | 1,121                       | 1,352                                  | <b>2,473</b>  |
|                  | Non-beneficiaries of the Bolsa Família, not enrolled in the Unified Registry (CadÚnico) | 1,707                       | 3,416                                  | <b>5,123</b>  |
|                  | <b>Total</b>                                                                            | <b>4,672</b>                | <b>5,697</b>                           | <b>10,369</b> |

Obs.: the AIBF II found 11,423 of the 15,426 households interviewed in 2005. This table does not contain the 1,064 households that do not belong to the groups analyzed in the 2009 round.

### **MACROECONOMIC EFFECTS OF THE BOLSA FAMÍLIA PROGRAM: A COMPARATIVE ANALYSIS OF SOCIAL TRANSFERS<sup>1</sup>**

Marcelo Côrtes Neri<sup>2</sup>

Fabio Monteiro Vaz<sup>3</sup>

Pedro Herculano Guimarães Ferreira de Souza<sup>3</sup>

Government transfers to individuals and families play a central role in the Brazilian social protection system, accounting for almost 14 per cent of Gross Domestic Product (GDP) in 2009. While their fiscal and redistributive impacts have been widely studied, the macroeconomic effects of transfers are harder to ascertain.

Following previous research based on the circular flow of income in Brazil, Neri et al. (2013) constructed a Social Accounting Matrix (SAM) for 2009 and estimated the short-term accounting multipliers for seven different government monetary transfers: Social Security pensions for former private-sector workers and civil servants (RGPS and RPPS, respectively); the Continuous Cash Benefit (Benefício de Prestação Continuada), a non-contributory, means-tested old-age and disability benefit; the Programa Bolsa Família, a conditional cash transfer targeting poor families; the Abono Salarial, a yearly wage subsidy to low-wage workers in the formal sector; unemployment insurance for formal-sector workers; and the lump-sum withdrawals from the Fundo de Garantia por Tempo de Serviço (FGTS), a mandatory savings account for formal private-sector workers.

The SAM is a double-entry square matrix depicting all income flows in the economy. The data were compiled mostly from the 2009 Brazilian National Accounts and the 2008/2009 POF, a household budget survey. Our SAM was disaggregated into 56 sectors, 110 commodities, 200 household groups and seven factors of production (capital plus six types of labour, according to schooling). Finally, we ran a set of regressions to separate household consumption into “autonomous” (or “exogenous”) and “endogenous” components.

The economic modelling based on the SAM begins by specifying the endogenous and exogenous accounts. The latter comprise expenditures which are independent of current income. In our case, all government expenditures, capital investments, property incomes, the household’s autonomous consumption and imports/exports are exogenous; more specifically, we are interested in the effects of an exogenous injection into each of the seven government transfers outlined above. All the other accounts are thus endogenous. So-called “leaks” are income flows from the endogenous to the exogenous accounts. The leaks – such as savings, taxes and imports – are crucial to determine the multiplier effect of an exogenous injection, as they allow the system to go back to equilibrium.

The model rests on three other key assumptions. First, it follows the demand-driven Keynesian tradition, and thus assumes that causality starts with demand injections. Second, it assumes that supply is perfectly elastic. Third, it assumes that the families’ propensity to save and consumption profile are fixed – that is, rising incomes do not provoke changes in behaviour.

1. Summary of Chapter 11 from the book *Programa Bolsa Família: uma década de inclusão e cidadania*, MDS/Ipea (*Bolsa Família Program: a decade of inclusion and citizenship*). Also published by IPC-IG/UNDP in the series *One Pager*.

2. Secretariat of Strategic Affairs (SAE) and Institute for Applied Economic Research (Ipea).

3. Researcher from Ipea.

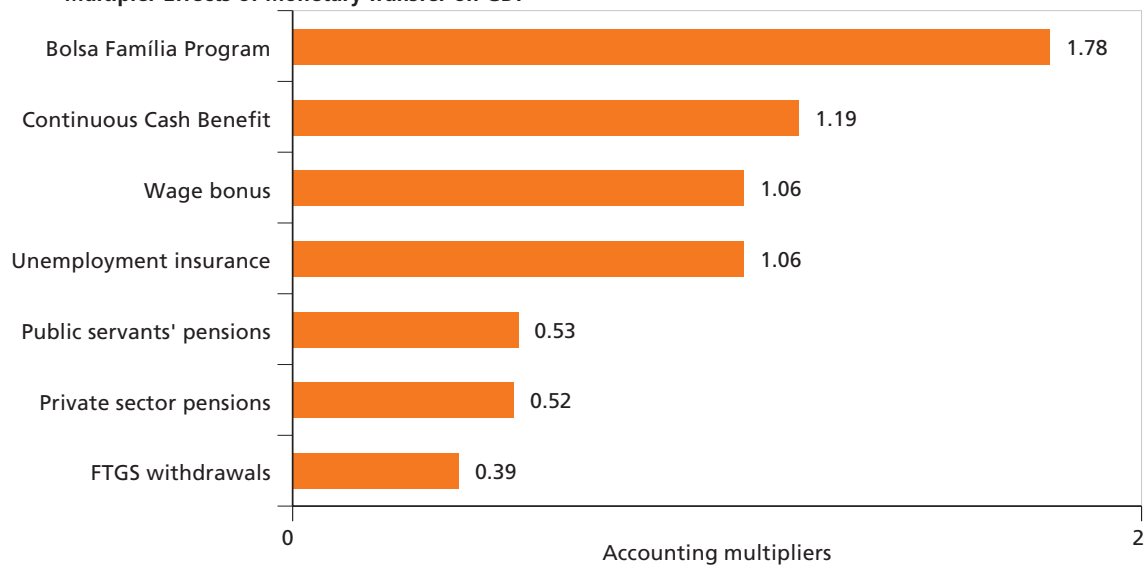
The figure shows the multiplier effects of the seven government transfers on GDP. Their interpretation is straightforward: each multiplier corresponds to the growth in GDP resulting from each additional dollar injected into each transfer.

The Programa Bolsa Família has the highest effect by a large margin: according to the model, if the government increased Bolsa Família expenditures by 1 per cent of GDP, overall economic activity would grow by 1.78 per cent. Another means-tested transfer, the Continuous Cash Benefit, comes second. Only three transfers – the private-sector and public servants' pensions and FGTS withdrawals – had multipliers lower than unity – that is, the exogenous injections in these transfers leak out of the circular flow of income early.

The multipliers for other relevant macroeconomic aggregates – household and total consumption, disposable income etc. – reveal a similar pattern, with Bolsa Família on top, and pensions and the FGTS at the bottom.

Thus, under the admittedly stringent assumptions of our model, the results largely confirm the hypothesis that the government transfers targeting poor households, such as the Bolsa Família, help foster economic growth. Naturally, it should be stressed that the multipliers relate marginal injections into government transfers to short-term economic performance. In the long term, there is no doubt that what truly matters is the expansion of the country's productive capacity.

GRAPH 1  
Multiplier Effects of Monetary Transfer on GDP



Source: Estimated from the Social Accounting Matrix.

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### SOCIAL CASH TRANSFERS AND INEQUALITY IN BRAZIL (1995-2011)<sup>1</sup>

Rodolfo Hoffmann<sup>2</sup>

This paper shows the role of various shares of *per capita* household income in reducing the inequality of income distribution in Brazil from 1995 to 2011, emphasizing the Bolsa Família Program (BFP) as particularly progressive. A share of income is *progressive* if it contributes to reduce the inequality and *regressive* if it contributes to increase the inequality. A good measure of the degree of progressivity of a share is the difference between its concentration ratio and the Gini index of income distribution. It is positive if the share is progressive and negative if it is regressive.

The analysis of the 2008-2009 Household Budget Survey (Pesquisa de Orçamentos Familiares – POF/IBGE) confirms that incomes received by employers, rent and asset variation are regressive shares. The pensions for public servants are also clearly regressive, making the total of pensions slightly regressive despite the slightly progressive nature of the private sector workers' pensions paid by the National Social Security Institute (Instituto Nacional do Seguro Social – INSS). The labor income of employees represents more than 43% of the total income declared and has a concentration ratio almost as high as the Gini index, which makes this share only slightly progressive.

Among all the income sources observed, the only ones with negative concentration ratios are the federal social programs transfers. The BFP is the most progressive. The Constitutional Cash Benefit for poor elders or disabled (Benefício de Prestação Continuada – BPC), a non-contributory pension, is also clearly progressive, but its measure of progressivity (0.66) is substantially lower than that of the BFP (1.12).

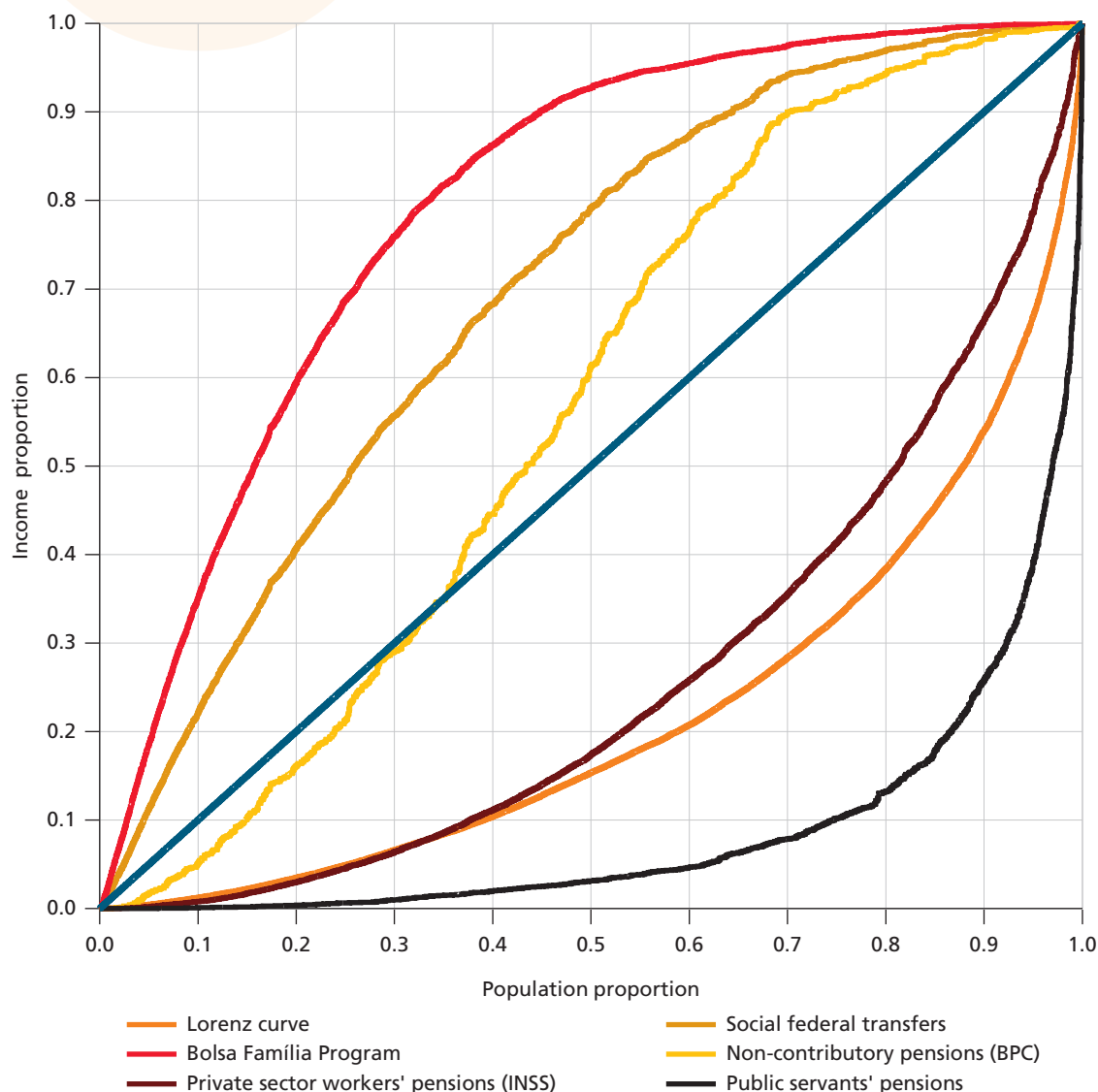
The graph shows the degree of these shares' progressivity. The public servants pensions' concentration curve, a strongly regressive share of total household income, lies well below the Lorenz curve. At the other extreme, the curve of income of the BFP is well above the line of perfect equality, showing that the program targets the poor and is strongly progressive.

To analyze how different shares of the *per capita* household income contributed to the reduction in inequality from 1995 to 2011, data from the National Household Sampling Survey (Pesquisa Nacional por Amostra de Domicílios – PNAD/IBGE) was used. Unfortunately, federal transfers are included in the survey question to capture the amount received as “interest from savings accounts and other financial investments, dividends, social programs or other incomes”, which mixes regressive incomes with the BFP and the BPC. From this share an estimate of the federal transfers was extracted, considering only values not much higher than the minimum wage and received by the poorest families. Its progressivity was similar to that of the federal social programs measured in the POF.

1. Summary of Chapter 12 from the book *Programa Bolsa Família: uma década de inclusão e cidadania*, MDS/Ipea (Bolsa Família Program: a decade of inclusion and citizenship).

2. Retired Professor of IE/UNICAMP and ESALQ/USP, where he works as a senior lecturer.

GRAPH 1  
Lorenz Curve of the per capita family income and concentration curves for five of its shares



Prepared by the author.

Representing less than 1.0% of total declared income until 2007, our estimate of the amount of BFP and BPC contributed to an extraordinary 16.1% of the reduction in the Gini index during the period when this reduction was most intense and systematic, from 2001 to 2011. This is associated with the strong progressivity of federal transfers, particularly those of the BFP.

For the fall of the Mehran index, more sensitive to changes in lower incomes than the Gini index, the contribution of our estimate of social federal transfers was 21.5%. For the Piesch index, more sensitive to higher incomes, it was 13.3%. Considering the three indices, one can say that the amount of BFP and BPC transfers contributed to about 15.0% to 20.0% of the inequality reduction in the *per capita* household income distribution in Brazil from 2001 to 2011.

All analyses note the importance of changes in the distribution of labor income to the reduction in the income inequality in Brazil since 1995, and also acknowledge the extraordinary contribution of social transfers, particularly those from the BFP, given its small share in total income.



### **SOCIAL PROGRAMS AND THE RECENT DECLINE IN REGIONAL INCOME INEQUALITY IN BRAZIL<sup>1</sup>**

Raul da Mota Silveira Neto<sup>2</sup>  
Carlos Roberto Azzoni<sup>3</sup>

There is seemingly no doubt that the Programa Bolsa Família (PBF) has contributed significantly to reducing income inequality among Brazilians during the last decade (Soares, 2012). A product of a timely correlation between the nature of the programme and the nature of regional income disparities in Brazil, the PBF's distributional impacts have an important spatial dimension that has not been explored in depth in the existing literature about the programme.

In terms of public policy design, the PBF, by promoting universal access to basic education, for example, constitutes a spatially blind type of public policy, as its focus is defined by the social standing of individuals, without any reference to their territorial or regional location. In this sense, it is quite distinct from traditional political policies focused on attracting productive (and, generally, industrial) investments to the poorest regions, such as in the use of Constitutional Funds for regional development (FNE for the North-East, FNO for the North and FCO for the Centre-West regions) or policies for directing credit with spatial conditionalities, as in the case of Banco do Nordeste's CrediAmigo microcredit programme.

Regional income disparity in Brazil is characterised by the fact that poorer states are geographically clustered in the north-east and north of the country and have high numbers of people living in poverty and extreme poverty: these are poor neighbouring states with many poor inhabitants. For example, in the specific case of Maranhão (the poorest state in the country), in 2006, 39.5 per cent of the population had a per capita household income lower than the PBF's upper limit at the time, of R\$100, while in São Paulo, in that same year, the proportion was only 5.8 per cent. In such a situation, public policies that focus on the poorest people ultimately have a stronger relative impact on the incomes of the poorest states.

This is exactly the case of the PBF. The table illustrates this point clearly: the traditional Gini index is used as an indicator of inequality in the per capita income distribution among the states. With a share of only 0.5 per cent of the total income (average for 1995 and 2006), the numbers in the second column indicate that the PBF accounted for almost 15 per cent of the reduction in regional income inequality in Brazil between 1995 and 2006, of about 12.2 per cent.

Other sources of non-labour income sometimes account for a greater share of the total (e.g. retirement and other persons) but contribute far less towards mitigating regional inequality in Brazil.

Finally, the table's third column shows the measures (elasticities) that inform us about the percentage impact on inequality triggered by a 1 per cent variation in each income source. In the case of the PBF, a 1 per cent increase in programme funding was associated with a 0.02 per cent reduction in regional inequality (as measured by the Gini index). No other non-labour income boasts a greater distributional impact, and all other variations entail much higher costs.

1. Summary of Chapter 13 from the book *Programa Bolsa Família: uma década de inclusão e cidadania*, MDS/Ipea (*Bolsa Família Program: a decade of inclusion and citizenship*). Also published by IPC-IG/UNDP in the series *One Pager*.

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Finally, the evidence presented in the table leaves very little doubt as to the role of labour income in the evolution of regional income inequality in Brazil. With the PBF's extension threshold about to be reached (there are progressively fewer eligible individuals still excluded), it is likely that the importance of labour income will continue to rise. Also increasingly important are policies that allow for a better insertion of the poorest people into the labour market (e.g. by improving public education).

TABLE 1  
Impact of the Programa Bolsa Família on Regional Income Inequality among Units of the Federation 1995-2006  
(In %)

|                                           | Share of total income (average 1995-2006) | Contribution to reducing regional inequality | Elasticities of regional inequality in relation to income sources |
|-------------------------------------------|-------------------------------------------|----------------------------------------------|-------------------------------------------------------------------|
| Labour income                             | 80.22                                     | 76.00                                        | 0.036                                                             |
| Retirement and other pensions             | 15.71                                     | -5.4                                         | -0.011                                                            |
| Capital or property income                | 3.25                                      | 0.7                                          | 0.003                                                             |
| Programa <i>Bolsa Família</i>             | 0.50                                      | 14.8                                         | -0.020                                                            |
| Continued Cash Benefit (BPC) <sup>1</sup> | 0.34                                      | 8.9                                          | -0.012                                                            |

Source: Silveira Neto and Azzoni (2012). During this period, there was a 12.2 per cent reduction in the Gini Index (from 0.2214 to 0.1942).  
Note: <sup>1</sup> BPC is benefit for elderly people or persons with disabilities living in extreme poverty.

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### THE BOLSA FAMÍLIA PROGRAM AND FERTILITY RATES IN BRAZIL<sup>1</sup>

José Eustáquio Diniz Alves<sup>2</sup>  
Suzana Cavenaghi<sup>2</sup>

The debate about the relationship between income and life events such as mortality and fertility has been ongoing for over 200 years. It remains a recurring topic of modern debate. In the last decade of the 18<sup>th</sup> century, the Marquis de Condorcet, in France, and William Godwin, in England, believed that economic development – leading to improvements in the quality of life – would have the effect of reducing not only mortality rates but also fertility rates. However, in his *Essay on Population*, published in 1798, Thomas Malthus takes issue with the progressive ideas of the two rational Enlightenment thinkers.

History has proven that Condorcet and Godwin's optimism was well founded – international data show that vital rates fall concomitantly with a rise in income, as stated in the theory of demographic transition. All countries in the world that have succeeded in their development and in eradicating poverty boast low mortality and fertility rates. Development and demographic transition are modern and synchronous phenomena that feed into each other. The advances of productive forces and the eradication of poverty contribute to reducing both fertility and the demographic dependency ratio, thus creating a window of opportunity that accelerates the process of improving quality of life.

“In practice, the program has not caused an increase in the number of children in beneficiary households”

However, some members of the public consider that the Programa Bolsa Família (PBF) – which offers benefits that increase according to the number of children, up to a maximum of five (three children aged 0-15 years and up to two adolescents aged 16-17 years) – could have a pronatalist effect, which would curb the decline in fertility among the low-income population.

However, academic studies show that, in practice, the PBF has not caused an increase in the number of children in beneficiary households. Based on the study ‘Impacts of Bolsa Família in Reconfiguring Family Arrangements, in Gender Asymmetries and in the Individuation of Women’ conducted in the city of Recife in 2007/2008, Alves and Cavenaghi (2011) show that there was no significant difference in reproductive behaviour among women living in households registered in the Unified Registry (Cadastro Único) that benefited from the PBF and those that did not.

Although the trend of beneficiary families having a slightly higher fertility rate does exist, and there is, indeed, a slightly higher share of women who have three or more children (22.7 per cent versus 16.4 per cent among non-beneficiaries), the presence of a larger number of children tends to reduce per capita income, thus increasing the likelihood of families becoming eligible for PBF benefits. As such, the direction of causality between the number of children and those receiving PBF benefits would be the opposite. Women do not have more children because they receive PBF benefits – rather, by having more children, and thereby reducing per capita household income, women qualify for PBF benefits.

1. Summary of Chapter 14 from the book *Programa Bolsa Família: uma década de inclusão e cidadania*, MDS/Ipea (*Bolsa Família Program: a decade of inclusion and citizenship*). Also published by IPC-IG/UNDP in the series *One Pager*.

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The higher fertility among the poor and less-educated population – with lower consumption rates and worse housing conditions – is a reality found throughout all reproductive behaviour studies conducted in Brazil.

Literature shows that, to a large extent, the higher fertility rate is due to a lack of access to sexual and reproductive health services, as well as a lack of professional and educational prospects and of a life trajectory that would enable the cultural and material progress of these young women.

The study data also show that there is a high percentage of women in unplanned pregnancies, regardless of whether they receive PBF benefits. In a way, this confirms the hypothesis that these women are in the programme because they had children – not the opposite. As noted in demographic literature, women with lower income and education levels in Brazil start having children earlier (rejuvenation of fertility) and also perform ‘control by termination’ earlier, after having had a certain number of children. As these women find it difficult to gain efficient and steady access to contraception methods, they eventually resort to sterilisation after exceeding the ideal family size.

That is, research shows that, much like the entire Brazilian population, the poor portion of Recife’s population registered in the Unified Registry has also undergone the process of fertility transition. Both the women who receive PBF benefits and the women who do not wish to have fewer children. However, there is a perverse effect that takes place due to the high rate of unplanned pregnancies, as the Unified Health System (Sistema Único de Saúde – SUS) has been unable to make sexual and reproductive health services universally accessible.

Despite the SUS’s shortcomings, fertility rates have dropped, from around six children per woman (before 1970) to fewer than two children (in 2010). There has been a widespread trend towards smaller family sizes. There has also been a convergence between the fertility rates of women in different income groups; in recent times, this reduction has been greatest among the poorest households. Projections show a continued decline in the coming decades.

Although the PBF has what could be considered a pronatalist design, in practice the poor population covered by it continues to experience a decline in fertility. This happens due to the reversal in the flow of intergenerational wealth, as well as reductions in gender inequalities and gains stemming from social inclusion in the country. History is full of examples that show that citizenship is the best contraceptive, and that effective reproductive self-determination contributes to the process of upward social mobility.

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### **EFFECTS OF THE BOLSA FAMÍLIA PROGRAM ON CHILD MORTALITY: AN ANALYSIS OF THE BRAZILIAN MUNICIPALITIES<sup>1</sup>**

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Strategies adopted to reduce child mortality in developing countries are usually focused on interventions addressing biological causes, without considering its key underlying determinants. Conditional cash transfers (CCTs) are poverty reduction interventions that transfer money to poor households with the requirement that parents comply with specific conditions focused on improving health and education for their children.

The Brazilian CCT Programa Bolsa Família was launched in 2003. In 2012, it was already the world's largest CCT programme, enrolling 13.9 million families across all municipalities. To meet the conditions related to health, children younger than 7 years must be fully vaccinated and must comply with routine health check-ups and growth monitoring. Pregnant and lactating women must attend scheduled prenatal and postnatal visits, and attend educational activities on health and nutrition. If the family is within its catchment area, health-related conditions should be met using the facilities of the main primary health care strategy in Brazil, the Programa Saúde da Família (PSF – Family Health Programme).

The PSF is a large-scale national programme implemented in Brazil in the last 20 years, covering currently 54.8 per cent of the population to offer free community-based health care, especially in deprived and rural areas.

Bolsa Família, in combination with the PSF, can affect child survival in different ways, as shown in the figure: an increased income can increase access to food and health-related goods such as drugs or hygienic products, and the health-related conditions of the programme can improve access to health services.

In our study we found that coverage of both Bolsa Família and the PSF were associated with a significant reduction in the under-5 mortality rate (U5MR) during the period 2004-2009 in Brazilian municipalities (Rasella et al., 2013). The effect of Bolsa Família was greatest when the programme had a high level of coverage (>32 per cent) of the total population in a municipality, and all poor eligible households were enrolled and remained in the programme for four years or more, in which case it was responsible for a 17 per cent reduction in the U5MR. The effect of the PSF was greatest when the programme reached a high level of coverage of the population in the municipality (>70 per cent) for four years or more, in which case it reduced the U5MR by 12 per cent.

1. Summary of Chapter 15 from the book *Programa Bolsa Família: uma década de inclusão e cidadania*, MDS/Ipea (*Bolsa Família Program: a decade of inclusion and citizenship*). Also published by IPC-IG/UNDP in the series *One Pager*.

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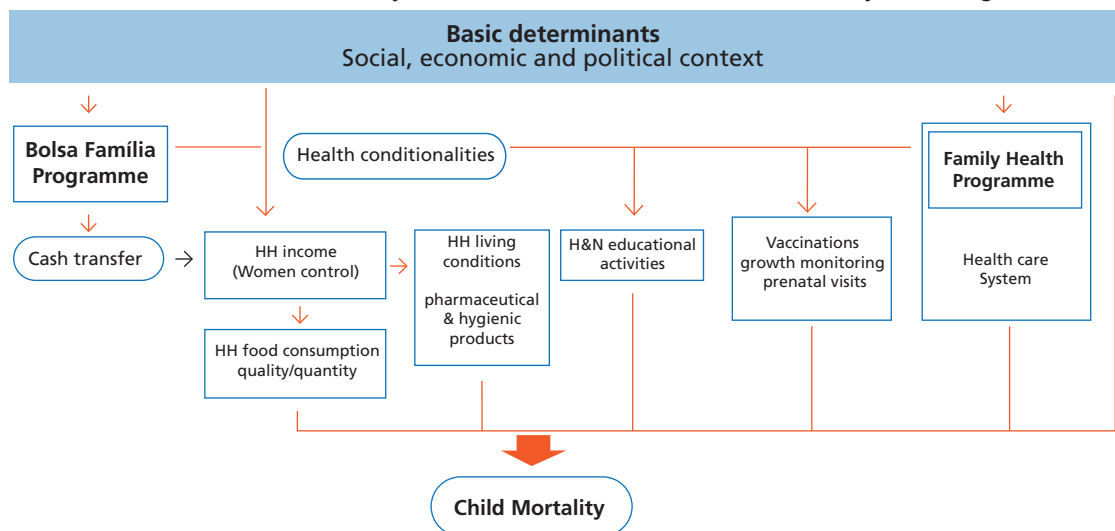
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The greatest impact of Bolsa Família was on the U5MR resulting from malnutrition and diarrhoea, causing a reduction of 65 per cent and 53 per cent, respectively, in municipalities with a higher level of coverage, whereas a high level of PSF coverage was associated with a reduction in the U5MR from diarrhoeal diseases (47 per cent) and infections of the lower respiratory tract (30 per cent). Greater Bolsa Família coverage increased vaccination coverage, reduced the number of pregnant women who delivered without receiving any prenatal care, and reduced rates of hospitalisations of children under 5, in particular for malnutrition and diarrhoea. When the two programmes were implemented simultaneously and with a high level of coverage in the municipality, they had a synergistic effect on reducing the U5MR.

It has to be considered that the size of cash transfer provided by Bolsa Família correlates with the level of poverty of the beneficiary family, and that the association between income and health is non-linear: even a small amount of financial aid given to extremely poor families could have a significant effect on child health. This does not necessarily mean that a small financial transfer fulfils all the main demands of poor families, but it could have large beneficial effects in relation to reducing childhood mortality levels.

Our study provides evidence that a multisectoral approach, comprising a conditional cash transfer programme acting on the social determinants of health, with a primary health care programme responding to basic health demands of the population, can substantially reduce childhood morbidity and mortality from poverty-related diseases in low- or middle-income countries.

CHART 1  
**Framework for childhood mortality reduction due to Brazil's Bolsa Familia and Family Health Programme**



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### LOWER INCIDENCE OF LOW BIRTH WEIGHT AMONG CHILDREN OF BENEFICIARY FAMILIES IN THE BOLSA FAMÍLIA PROGRAM<sup>1</sup>

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Birth weight is one of the main risk factors associated to infant mortality and is influenced by several factors: poor socioeconomic conditions, mothers of short stature, who smoke, have inferior education, are teenagers or single, as well as pathologies of pregnancy such as bleeding, urinary infections or hypertensive pregnancy disorders. All these factors lead to processes that result in low birth weight: prematurity, retarded intrauterine growth or intrauterine malnutrition.

This study is unprecedented in the analysis of differential birth weights, measured at birth in low-income groups, beneficiaries and non-beneficiaries of conditional cash transfer programs. Data was analyzed from the Information System on Live Births (Sistema de Informações sobre Nascidos Vivos – SINASC), the Ministry of Health (Ministério da Saúde – MS), the Unified Registry for Social Programs (Cadastro Único de Programas Sociais – CadÚnico) and from the payroll of the Bolsa Família Program (BFP) from the Ministry of Social Development and Fight Against Hunger (Ministério do Desenvolvimento Social e Combate à Fome – MDS).

An analytical cross-sectional study was conducted, comparing data from the CadÚnico with the BFP payroll and the live births recorded in SINASC throughout the Northeast region from 2006 to 2008. The relationship of the data banks (linkage) used recent methodology, with Bloom filters and encrypted privacy protection to ensure the confidentiality of the nominal data. Seventy-seven million records from the CadÚnico were crossed with 27 million from the SINASC, using the mother's name as a criterion to define pairs and a probability score of the pair being true. Twin births were disregarded, given the tie to birth weight. A sample of 1,345,785 live births resulted from the process.

According to BFP conditionalities at the time, all families with per capita income below R\$140 could receive the benefit if there were sufficient municipal quotas. Those with per capita income between R\$70 and R\$140 were considered poor and received variable benefits for each child from 0-15 years, up to the limit established. Those with monthly per capita income below R\$70 were considered very poor and received additional income beyond the variable benefits associated with the number of children.

1. Summary of Chapter 16 from the book *Programa Bolsa Família: uma década de inclusão e cidadania*, MDS/Ipea (*Bolsa Família Program: a decade of inclusion and citizenship*).

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To study the possible effect of the BFP, the frequency of a birth weight of less than 2,500g among children of eligible families receiving the benefit or not was compared. Among the families studied, the vast majority (78.6%) received the benefits of the BFP and were considered very poor. However, 10.6% of the very poor did not receive the benefit. Similarly, 8.7% of families were poor and received the benefit, while other 2.1% were poor and did not receive it.

The prevalence of low birth weight among children of beneficiary families of the BFP (5.5%) was lower than children of non beneficiaries (6.3%) in the income segment less than R\$70, with confidence intervals indicating a statistically significant difference. Among families with higher per capita income (R\$70 to R\$140), the difference was not statistically significant.

TABLE 1

**Prevalence of low birth weight among children enrolled in the Unified Registry (CadÚnico), according to the Bolsa Família Program benefits and monthly per capita family income – Northeast (2006-2008)**

| Family category                                                                   | Prevalence of low birth weight |                    |
|-----------------------------------------------------------------------------------|--------------------------------|--------------------|
|                                                                                   | Prevalence (%)                 | CI <sub>95</sub> % |
| Receives the Bolsa Família and has a per capita income of less than R\$70         | 5.5                            | 5.4-5.5            |
| Does not receive the Bolsa Família and has a per capita income of less than R\$70 | 6.3                            | 6.1-6.4            |
| Receives the Bolsa Família and has a per capita income between R\$70 and R\$140   | 5.9                            | 5.7-6.0            |
| Não recebe Bolsa Família e possui renda per capita entre R\$ 70 e R\$ 140         | 5.6                            | 5.3-5.9            |

Prepared by the authors.

The lowest prevalence of low birth weight was observed in the group of very poor beneficiary families of the BFP, even though they were exposed to two important risk factors: low income and low education of mothers. The highest prevalence of low birth weight was found in the group of very poor families not receiving the benefits of the BFP. This finding reinforces the need to expand the coverage of the BFP to include all poor families, based on their per capita household income.



### **PERFORMANCE OF BASIC CARE AMONG BOLSA FAMÍLIA BENEFICIARIES: CONTRIBUTIONS TO THE REDUCTION OF HEALTH INEQUALITIES<sup>1</sup>**

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Beneficiary families from the Bolsa Família Program (BFP) are required to keep up to date vaccination cards and monitor the development of children under 7 years of age through basic health care services. Women from 14 to 44 years of age must also commit to regular check-ups in basic health units (Unidade Básica de Saúde – UBS) and, if pregnant or breastfeeding (lactating), to conduct prenatal care and monitor their health and their baby's health.

This analysis compares health indicators and use of services, with an emphasis on the conditionalities, between beneficiaries and non-beneficiaries of the BFP, depending on their income profile, in the Northeast and South regions of Brazil. Data collection occurred between August to October 2010, through a cross-sectional, community-based study of urban census areas of traditional UBS and family health units (Unidades de Saúde da Família). The sample consisted of 14,347 children. For random selection, municipalities with 30% to 70% coverage of the Family Health Strategy (Estratégia Saúde da Família – ESF) were stratified into four population sizes. Eighteen municipalities were selected in the three southern states and 17 in three northeastern states. Along with the census areas of each randomly sampled UBS, a contiguous sector without service was included.

Half of those sampled from the Northeast (50.1%) and one fifth from the South (19.1%) received benefits from the BFP. The percentage of those with per capita household income up to R\$140 who didn't receive the benefit were 14.9% in the Northeast and 5.6% in the South. The health service most used the previous year was the UBS: 46.5% in the Northeast and 38.6% in the South. The use of emergency units was lower in the Northeast (29.0%) than in the South (35.7%). The prevalence of hospitalization and home care were slightly higher in the Northeast (11.3% and 2.6%) than in the South (10.1% and 1.7%). Significant differences were observed between the Northeast and South, respectively, in appointments with specialist doctors (32.2% and 45.6%), dentists (13.2% and 21.9%) and nurses (8.6% and 7.0%).

In both regions, the increased use of the UBS by BFP beneficiaries can be observed, regardless of their income group, which is in line with the expectations set by the program. In the Northeast, the proportion of hospitalizations was similar in the two groups compared; in the South, it was higher among the BFP beneficiaries. In the Northeast, the participation in six or more prenatal care consultations in the neighborhood UBS was higher in pregnant women from households that received the BFP, regardless of income. In the South, the same

1. Summary of Chapter 17 from the book *Programa Bolsa Família: uma década de inclusão e cidadania*, MDS/Ipea (Bolsa Família Program: a decade of inclusion and citizenship).

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was observed only in the group whose income was over R\$140. Regarding appointments up to 15 days following birth, the prevalence was higher among recipients of the BFP only in the Northeast and in the group with income of less than R\$140.

The BFP shows significant potential for reducing health inequalities. Nevertheless, the prevalence of appointments with specialist doctors and dentists were higher for wealthier children who did not receive the BFP, which shows a major problem with the Unified Health System (Sistema Único de Saúde – SUS). The positive impact of the BFP on health could be even greater if the systemic limits of services were overcome, such as employee turnover, poor infrastructure and problems of access and quality. The expansion of investments and the readjustment of the BFP should interact with the expansion of the federal government spending in the SUS, particularly in basic health care and family health (Saúde da Família).

**TABLE 1**  
**Prevalence of indicators that refer to the conditionalities in health between mothers and children below 7 years of age - Northeast and South of Brazil (2010)**  
 (In %)

| Variables                                                                      | Northeast Region                                          |                    |                                                  |                    |                | South Region                                              |                    |                                                  |                    |                |
|--------------------------------------------------------------------------------|-----------------------------------------------------------|--------------------|--------------------------------------------------|--------------------|----------------|-----------------------------------------------------------|--------------------|--------------------------------------------------|--------------------|----------------|
|                                                                                | Comparison group                                          |                    |                                                  |                    |                | Comparison group                                          |                    |                                                  |                    |                |
|                                                                                | Family per capita income less than or equal to R\$ 140.00 |                    | Family per capita income greater than R\$ 140.00 |                    |                | Family per capita income less than or equal to R\$ 140.00 |                    | Family per capita income greater than R\$ 140.00 |                    |                |
|                                                                                | Without Bolsa Família                                     | With Bolsa Família | Without Bolsa Família                            | With Bolsa Família | <i>p-Value</i> | Without Bolsa Família                                     | With Bolsa Família | Without Bolsa Família                            | With Bolsa Família | <i>p-Value</i> |
| <b>Mothers of children (prenatal)</b>                                          |                                                           |                    |                                                  |                    |                |                                                           |                    |                                                  |                    |                |
| Six or more consultations in the neighborhood UBS                              | 36.0                                                      | 38.7               | 27.8                                             | 38.3               | <0.001         | 23.1                                                      | 23.6               | 24.2                                             | 29.7               | 0.022          |
| Instructed to breastfeed exclusively                                           | 94.5                                                      | 94.9               | 94.3                                             | 96.3               | 0.162          | 93.4                                                      | 93.3               | 94.7                                             | 93.5               | 0.370          |
| <b>Children</b>                                                                |                                                           |                    |                                                  |                    |                |                                                           |                    |                                                  |                    |                |
| Appointments up to 15 days following birth for weighing and measuring          | 73.6                                                      | 78.6               | 81.0                                             | 78.0               | <0.001         | 91.2                                                      | 85.0               | 94.0                                             | 91.5               | <0.001         |
| Appointments from 15 days following birth to 1 year for weighing and measuring | 77.6                                                      | 78.3               | 81.5                                             | 83.9               | <0.001         | 88.3                                                      | 89.2               | 95.1                                             | 95.0               | <0.001         |
| Vaccine schedule up to date                                                    | 91.2                                                      | 92.9               | 94.0                                             | 93.6               | 0.037          | 97.1                                                      | 95.4               | 98.7                                             | 98.2               | <0.001         |

Prepared by the authors.

Obs.: *p-Value* obtained through the chi-square heterogeneity test.

### **BOLSA FAMÍLIA AND GRADE REPETITION: RESULTS FROM THE UNIFIED REGISTRY, ATTENDANCE PROJECT AND SCHOOL CENSUS<sup>1</sup>**

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Sergei S. D. Soares<sup>2</sup>

One of the goals of targeted conditional cash transfer programmes is to increase the human capital of their beneficiaries. Were it not for that, the existence of conditionalities would not make sense. The rationale is clear: the transfer alleviates poverty today, and this condition sets families on the path to future success. However, for all this to make sense, conditionalities need to work.

However, it is not easy to ascertain the impact of the largest targeted conditional cash transfer programme in Brazil, the Bolsa Família Program (BFP), on the academic performance of school beneficiaries. Unlike (a few) other programmes, which were designed to be evaluated from the very beginning, the BFP was created first and only afterwards was the issue of its impact evaluation considered. There is no control group, and, in fact, for a long time there was not even a single data source which monitored children from one year to the next, allowing for their academic performance to be measured.

Although the BFP's design remains non-experimental, today we have information from the new School Census and the School Attendance of the Beneficiaries project that is individualised and longitudinal, which means that we can now monitor children from one school year to the next and observe their school history.

Our study estimates the effect of the BFP on academic performance through the use of three individual data sources: *i*) the Unified Registry (CadÚnico), which is the administrative registry that unifies the BFP; *ii*) the School Census, which collects information on each pupil; and *iii*) the Attendance project, which is a database of records about the attendance of children that benefit from the programme.

Unfortunately, integrating the information on each pupil from these three databases is not straightforward. There is no unique identification key that identifies, with perfection, the same child in the three databases. To that end, we have built the INEP key variable, composed of information regarding the pupils' city of birth, school code, date of birth and gender. This information can be easily obtained from the three databases.

Our results show that pupils who repeated the previous year have a 46 per cent greater chance of repeating than those who passed. Boys have a 70 per cent greater chance of repeating than girls, and pupils who are above the appropriate age range for the grade level (attainment gap) are also at a disadvantage.

One of the most significant problems is the high level of repetition among pupils with special needs. This demonstrates that the Brazilian school system has found it difficult to deal

“In the first approach, which focuses only on the CadÚnico universe, the likelihood of repetition among pupils who are BFP recipients is 11% lower than for other pupils”

1. Summary of Chapter 18 from the book *Programa Bolsa Família: uma década de inclusão e cidadania*, MDS/Ipea (*Bolsa Família Program: a decade of inclusion and citizenship*). Also published by IPC-IG/UNDP in the series *One Pager*.

2. Researcher from Ipea.

with these individuals. Data show that this group has approximately 80 per cent more chance of repeating than those who have no type of disability.

It is important to highlight that the longer the duration of the classes, the lower the chances of repetition. As expected, in terms of net values, the pupils who receive more information throughout their school day are more prepared for their exams. If class sizes are too large, there is also a greater chance of failure. With regards to the cost – benefit ratio, it seems that extending the duration of classes is more effective than reducing the class size.

The more people there are in a household, the greater the probability of repetition. The poverty level of the family can also be proxied by the number of rooms in the household: the larger the number of rooms, the lower the poverty level, and, concurrently, the lower the chances of repetition. This is also true for households that have better infrastructure, such as water and sewage services, and masonry structures. Nonetheless, the most important family variable is the parents' level of education. If a child's legal representative has completed at least primary school, this reduces the weighted probability of repetition by a little over 30 per cent.

The main objective of this paper is to assess the effect of the BFP on repetition rates. In the first approach, which focuses only on the CadÚnico universe, the likelihood of repetition among pupils who are BFP recipients is 11 per cent lower than for other pupils.

Observing the dose – response relationship exclusively for programme recipients, we conclude that an increase in cash transfers does not appear to generate higher or lower repetition rates. On the other hand, pupils who fulfil the programme's attendance conditionality have 40 per cent less chance of repeating than those who do not. Nevertheless, it would be rash to say that this is a direct impact of the requirement, given that the vast majority of the pupils in this model abide by the rules, and, in the absence of other instrumental variables capable of explaining this issue, we cannot overlook the fact that the attendance rates and cash transfers are endogenously related.

Given that administrative records are subject to operational errors and quality flaws, the data must be considered in a broader sense and interpreted more in terms of the trends they reveal than the actual values they convey. The continuous improvement of the CadÚnico (such as version 7) and of the School Census is expected to produce more dependable information. This would enable the development of future studies, with more reliable estimates. Nevertheless, the main conclusion is that there is evidence to suggest that the BFP reduces school repetition among its recipients.

### CONDITIONALITIES, SCHOOL PERFORMANCE AND PROGRESSION OF BOLSA FAMÍLIA PROGRAM RECIPIENTS<sup>1</sup>

Flávio Cireno<sup>2</sup>  
Joana Silva<sup>3</sup>  
Rafael Prado Proença<sup>3</sup>

Cireno et al. (2013) compare the school performance and progression of recipients and non-recipients of the Programa Bolsa Família (PBF) using administrative data obtained from the Ministry of Education (MEC), specifically the *Sistema Presença*, which monitors the school attendance of PBF recipients, and the *Prova Brasil* (results of individual pupils from the 5<sup>th</sup> to 9<sup>th</sup> years). This information is cross-referenced to administrative data from the Unified Registry of the Ministry of Social Development and Fight against Hunger (MDS). Based on this data set, we analysed data on PBF recipients and non-recipients and assessed how it relates to performance in the *Prova Brasil*, failure rates, school drop-out rates and age-grade distortion rates.

Initially, the differences in the variable means were calculated for the 5<sup>th</sup> and 9<sup>th</sup> years separately, and subsequently tests were conducted to evaluate if there was a statistically significant difference – test *t* (table 1). We found that, without attempting to control for school and pupils' characteristics, pupils who participate in the PBF perform worse than non-recipients. This evidence matches the literature on the topic (World Bank, 2011).

Nevertheless, there is a considerable drop in this disparity level between the 5<sup>th</sup> and 9<sup>th</sup> years, suggesting that participation in the programme, especially compliance with the conditionalities, may contribute to reducing the performance gap between recipients and non-recipients over time.

Given that the socio-economic characteristics of the recipients and the schools they attend are significantly worse than those of non-recipients, to better compare the results concerning these two groups, we conducted regression analyses using as control variables school attributes (school socio-economic level, quality of school facilities, urban or rural location, administrative dependency on municipal, state or federal government, and school shift), and pupil and family characteristics (gender, race, whether or not the pupil works, and parents' schooling level). For the continuous variables (Average Proficiency in *Prova Brasil*), the Ordinary Least Squares (OLS) method was used, and for the discrete variables (drop-out rate, failure rate and age-grade distortion rate) the probit model was adopted.

The pupils who participate in the programme present lower drop-out and age-grade distortion rates in the 5<sup>th</sup> and 9<sup>th</sup> years (table 2), implying that the programme plays an important role in keeping low-income pupils in school. The results also suggest that programme recipients on average perform worse in the *Prova Brasil* than non-recipients, although part of this discrepancy can be explained by their socio-economic conditions and the characteristics of the school they attend. It is important to highlight that, when we compare the 5<sup>th</sup> and 9<sup>th</sup>

1. Summary of Chapter 19 from the book *Programa Bolsa Família: uma década de inclusão e cidadania*, MDS/Ipea (*Bolsa Família Program: a decade of inclusion and citizenship*). Also published by IPC-IG/UNDP in the series *One Pager*.

2. Ministry of Social Development and Fight against Hunger, Brazil.

3. World Bank.

years, this drawback is either reversed (performance and failure), or in the 5<sup>th</sup> year the recipients gain an advantage. Bearing in mind the programme's level of coverage, evidence suggests that conditionalities, at least in the education area, have a positive impact on these pupils' school progress. Thus, the PBF leads to a reduction in educational inequality when these pupils are compared to other public school students, helping to curb the intergenerational poverty cycle and minimise the negative impacts it has on these children's school progress.

TABLE 1  
Difference between differences for variables concerning proficiency and educational progress among pupils submitted to *Prova Brasil* (2011)

|                           | 5 <sup>th</sup> Year |           |            |      | 9 <sup>th</sup> Year |           |            |      | DIF-DIF |
|---------------------------|----------------------|-----------|------------|------|----------------------|-----------|------------|------|---------|
|                           | Recipient            |           | Difference | Sig. | Recipient            |           | Difference | Sig. |         |
|                           | Yes                  | No        |            |      | Yes                  | No        |            |      |         |
| Average proficiency       | 3.29                 | 3.92      | -0.63      | 0.00 | 4.86                 | 5.30      | -0.44      | 0.00 | 0.18    |
| Failure rate in 2011      | 9.07%                | 5.49%     | 3.58%      | 0.00 | 8.63%                | 8.22%     | 0.42%      | 0.00 | -3.16%  |
| Drop-out rate in 2011     | 0.32%                | 0.27%     | 0.06%      | 0.00 | 0.49%                | 0.53%     | -0.04%     | 0.00 | -0.10%  |
| Age-grade distortion rate | 27.79%               | 17.30%    | 10.49%     | 0.00 | 21.78%               | 21.18%    | 0.60%      | 0.00 | -9.89%  |
| N                         | 941,860              | 1,251,333 | —          | —    | 643,703              | 1,274,934 | —          | —    | —       |

Prepared by the authors using the School Census/Bolsa Família database (INEP/MDS).

TABLE 2  
Association between participation and exposure to the Programa Bolsa Família and school performance and progress using varied models

|                               | 5 <sup>th</sup> Year                        | 9 <sup>th</sup> Year | 5 <sup>th</sup> Year | 9 <sup>th</sup> Year | 5 <sup>th</sup> Year | 9 <sup>th</sup> Year | 5 <sup>th</sup> Year | 9 <sup>th</sup> Year |
|-------------------------------|---------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                               | Performance measured in <i>Prova Brasil</i> |                      | Failure rate         |                      | Drop-out rate        |                      | Distortion rate      |                      |
| Participates in the programme | -0.106                                      | 0.0819               | 0.00234              | -0.00678             | -0.000529            | -0.00245             | -0.00862             | -0.135               |
|                               | (-29.65)                                    | (20.37)              | (3.629)              | (-8.096)             | (-4.809)             | (-15.49)             | (-7.582)             | (-111.2)             |
| Exposure to programme         | -0.0124                                     | -0.0160              | 0.000736             | 0.00100              | -3.63e -06           | 7.07e -05            | 0.00308              | 0.00671              |
|                               | (-55.77)                                    | (-64.82)             | (18.86)              | (19.62)              | (-0.550)             | (6.994)              | (44.42)              | (86.19)              |

Prepared by the authors using the School Census/Bolsa Família database (INEP/MDS).

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### IMPACTS OF THE BOLSA FAMÍLIA ON THE ALLOCATION OF TIME BETWEEN WORK AND SCHOOL FOR CHILDREN AND ADOLESCENTS AGED 10 TO 18<sup>1</sup>

Fernando Gaiger Silveira<sup>2</sup>

Bernardo Campolina<sup>3</sup>

Ross van Horn<sup>4</sup>

Evidence suggests that insufficient household income can lead to labour supplementation by children and adolescents. The pressure on them to enter the labour market results in less time available for school activities and, ultimately, in school drop-out. Thus most impact evaluations of conditional or unconditional cash transfer programmes tend to pay special attention to programmes' impacts on children's and adolescents' school attendance and participation in the labour market. In a cyclical fashion, the so called 'substitution effect' of work for school reproduces a reality experienced by low-income parents, derived from low schooling levels, for future generations.

Gaiger, F.S. et al. (2013) examine the extent to which transfers from Brazil's flagship cash transfer programme, Bolsa Família, has affected the allocation of time between work and school for children and adolescents.

We use the 2010 census to estimate programme effects. The 2010 census is particularly suitable because it offers the most recent survey with a strong sample that directly determines the beneficiary population, which minimises the selection bias that arises when the National Household Survey is used.

Estimates were developed with the use of the multinomial logit and bivariate probit models, using inverse propensity weighting and trimming techniques. The effects of Bolsa Família are evaluated for 12 population groups, according to age, gender and area of residence. Here, we focus on the results for adolescents between 15 and 17 years of age, which is the age group most likely to drop out of school and/or start working.

The figure shows the predicted distribution of beneficiary and non-beneficiary children (derived from propensity score estimates) between 15 and 17 years old, according to the combination of school and work, estimated through a multinomial logit and propensity scores with weights between 0.03 and 0.95. It is in this age group that the most significant differences in rates of school attendance and participation in the workforce between beneficiaries and non-beneficiaries become evident. This finding is very marked when looking at differences between urban boys and girls. Among urban girls, Bolsa Família increases the probability of school attendance by 8 percentage points, with similar increases in studying only and studying in combination with work. Among urban boys, nearly all of the difference in the probability of studying among beneficiaries and non-beneficiaries, about 6 percentage points, is due to the greater proportion of those who combine school attendance and work. Overall, Bolsa Família beneficiaries are about 5 percentage points more likely to attend school than non-beneficiaries.

1. Summary of Chapter 20 from the book *Programa Bolsa Família: uma década de inclusão e cidadania*, MDS/Ipea (*Bolsa Família Program: a decade of inclusion and citizenship*). Also published by IPC-IG/UNDP in the series *One Pager*.

2. Institute for Applied Economic Research (Ipea).

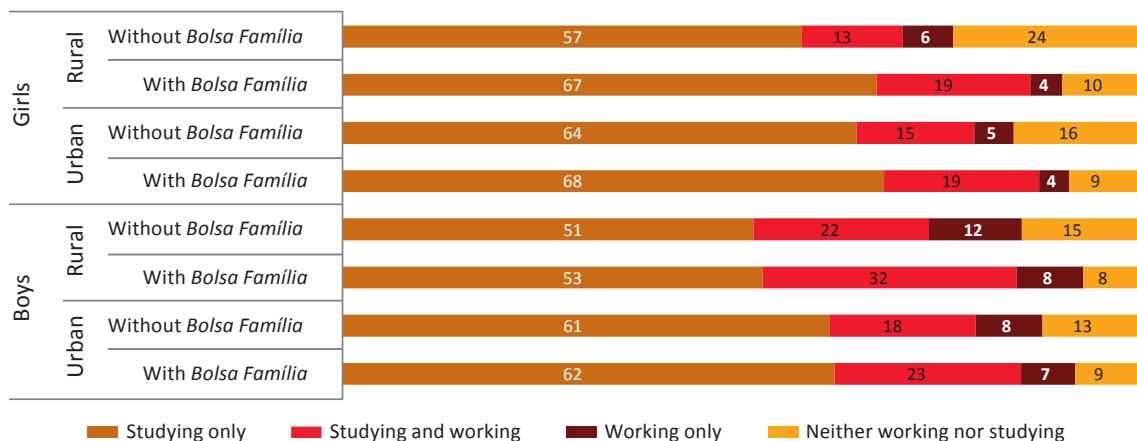
3. Centro de Desenvolvimento e Planejamento Regional/Universidade Federal de Minas Gerais (CEDEPLAR/UFMG).

4. Lyndon B. Johnson School of Public Affairs/University of Texas at Austin.

However, it is important to stress the negative impact of Bolsa Família on the probability of only working in rural areas. This result suggests the existence of the substitution effect in rural areas, especially for boys.

Our results call into question the idea that Bolsa Família would lead to a simple substitution effect between child labour and school attendance. As demonstrated in the analysis, the aggregate effect of the transfer actually increases both school attendance and workforce participation. Instead of a substitution effect, whereby the probability of only studying increases while the probability of only working decreases as a result of the programme, the results from the multinomial logit show that the main impact is the increase in the proportion of 15-17-year-olds who combine school and work, especially in urban areas. Gender differences are also very clear: the programme has a positive effect among girls, with relatively pronounced decreases in the proportion of those who do not study or work, and increases in the rate of school attendance.

GRAPH 1  
Probability of studying and working for adolescents aged 15-17  
(In %)



Source: Sample of the 2010 Population Census.  
Prepared by the authors.

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### **BOLSA FAMÍLIA, OCCUPATIONAL CHOICE AND INFORMALITY IN BRAZIL**<sup>1,2</sup>

Ana Luiza Neves de Holanda Barbosa<sup>3</sup>  
Carlos Henrique Leite Corseuil<sup>4</sup>

This study assesses the impact of the conditional cash transfer programme, Programa Bolsa Família (PBF), on the occupational composition of the Brazilian labour market. In particular, the goal is to analyse to what extent the PBF distorts the occupational choice of beneficiaries in the sense of making them more likely to opt for an informal occupation.

The motive behind this investigation is the idea that income from informal employment is less visible to the institution managing the programme than income from formal employment.

There is, however, a major challenge in evaluating the effects of the PBF on the adult labour supply. Participation in this type of programme is voluntary. Therefore, the group of beneficiaries may differ in certain aspects from the group of non-beneficiaries, which might affect both participation and the choice of occupation. This makes it difficult to find a comparison group that resembles the treatment group. Our strategy for identifying the PBF's effect on occupational choice seeks to isolate the programme's real effect from these differences in the unobservable characteristics of individuals.

One of the major contributions of our article is the application of a method that allows us to deal with the problem of self-selection within the PBF based on unobservable characteristics. We exploited a discontinuity present in the eligibility criteria of the programme, about the age of the youngest child of the household. We assumed that the discontinuity around a critical age value (16 years old) represents an exogenous variation in eligibility that could be accompanied by a variation in programme participation also around this critical value. This last variation would represent the effect of the programme on the occupational choice of the household heads.

This type of strategy is known as Regression Discontinuity Design (RDD).<sup>5</sup> In particular, since eligibility does not coincide with participation in the programme, the explored methodology uses the case known as a fuzzy RDD. Our main identification hypothesis is to assume that the unobservable characteristics of adults in families whose youngest child reaches the age threshold for eligibility shortly before the beginning of the school year are very similar to those of families whose youngest child reaches the eligibility age threshold shortly after the beginning of the school year.

This is considered a weak assumption, given the randomness component involved in determining an individual's exact date of birth. In addition, we carried out tests whose results are consistent with the validity of this hypothesis.

The analysis is carried out with 2006 microdata from the National Household Sample Survey (PNAD) conducted by the Brazilian Institute of Geography and Statistics (IBGE).

1. Summary of Chapter 21 from the book *Programa Bolsa Família: uma década de inclusão e cidadania*, MDS/Ipea (*Bolsa Família Program: a decade of inclusion and citizenship*). Also published by IPC-IG/UNDP in the series *One Pager*.

2. The authors would like to thank Sergei Soares for several explanations on the inner workings of Bolsa Família. We benefited from valuable comments from our colleagues Peter Herculano de Souza, Miguel Foguel and Fábio Soares. Finally, we are grateful to Italo Cabral de Souza for his assistance in processing the 2006 PNAD.

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4. Researcher and Deputy Director of Disoc at Ipea. E-mail: <carlos.corseuil@ipea.gov.br>.

5. See Imbens and Lemieux (2008).

Unlike what was found in the existing empirical literature, our results suggest that the cash transfer has no impact on the occupational choice of Brazilian adults among formal and informal jobs. This result appears in estimates both in a sample of household heads (table 1) and in what we will call secondary jobs – that is, those who contribute at home with the second largest source of income from work, secondary to the income from the main occupation held by the head of household (table 2). It is worth mentioning that this result is solid in a wide range of situations that we have considered. Twelve separate household samples were used to estimate our parameter of interest. In all these situations, the estimate was statistically nil.

TABLE 1  
Impact of the PBF on the occupational choice of the household head

|                                                     | Total Sample<br>All households receiving<br>the PBF benefit |                   | Filter I<br>Households with<br>PCHIs < R\$ 700.00 |                   | Filter II<br>Households with PCHIs ><br>R\$ 50.00 and PCHIs < R\$ 700.00 |                   |
|-----------------------------------------------------|-------------------------------------------------------------|-------------------|---------------------------------------------------|-------------------|--------------------------------------------------------------------------|-------------------|
|                                                     | Coef.                                                       | Optimal<br>window | Coef.                                             | Optimal<br>window | Coef.                                                                    | Optimal<br>window |
| Bolsa-Família<br>(standard error)                   | -3.237<br>(3.329)                                           | 1.61              | -2.417<br>(1.460)                                 | 1.78              | -2.429<br>(1.485)                                                        | 1.76              |
| Bolsa-Família (bandwidth = 110)<br>(standard error) | -2.339<br>(1.612)                                           | 1.77              | -2.846<br>(1.797)                                 | 1.96              | -2.629<br>(1.580)                                                        | 1.94              |
| Bolsa-Família (bandwidth = 125)<br>(standard error) | -1.996<br>(1.387)                                           | 2.01              | -2.607<br>(1.875)                                 | 2.23              | -2.697<br>(1.747)                                                        | 2.20              |
| Bolsa-Família (bandwidth = 150)<br>(standard error) | -1.122<br>(0.973)                                           | 2.41              | -2.539<br>(1.614)                                 | 2.67              | -2.648<br>(1.563)                                                        | 2.64              |

Source: IBGE (2006).

TABLE 2  
Impact of the PBF on the secondary occupational choice

|                                                     | Total Sample<br>All households receiving<br>the PBF benefit |                   | Filter I<br>Households with<br>PCHIs < R\$ 700.00 |                   | Filter II<br>Households with PCHIs ><br>R\$ 50.00 and PCHIs < R\$ 700.00 |                   |
|-----------------------------------------------------|-------------------------------------------------------------|-------------------|---------------------------------------------------|-------------------|--------------------------------------------------------------------------|-------------------|
|                                                     | Coef.                                                       | Optimal<br>window | Coef.                                             | Optimal<br>window | Coef.                                                                    | Optimal<br>window |
| Bolsa-Família<br>(standard error)                   | -1.196<br>(1.339)                                           | 1.74              | -1.997<br>(1.355)                                 | 1.81              | -1.904<br>(1.347)                                                        | 1.91              |
| Bolsa-Família (bandwidth = 110)<br>(standard error) | -1.614<br>(1.563)                                           | 1.92              | -1.970<br>(1.366)                                 | 1.99              | -1.626<br>(0.983)                                                        | 2.10              |
| Bolsa-Família (bandwidth = 125)<br>(standard error) | -1.304<br>(1.627)                                           | 2.18              | -1.347<br>(1.236)                                 | 2.27              | -1.301<br>(1.208)                                                        | 2.38              |
| Bolsa-Família (bandwidth = 150)<br>(standard error) | -1.107<br>(1.023)                                           | 2.62              | -1.481<br>(1.235)                                 | 2.72              | -0.854<br>(0.956)                                                        | 2.86              |

Source: IBGE (2006).

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### “LAZINESS EFFECT” IN CASH TRANSFER PROGRAMS?<sup>1</sup>

Luís Felipe Batista de Oliveira<sup>2</sup>  
Sergei S. D. Soares<sup>2</sup>

One of the most common criticisms of conditional cash transfer programs (CCT) is that they could produce a “laziness effect”. According to critics, a benefit conditioned upon the fact that a family has low income can lead to apathy and a decrease in the labor supply of its members. Aside from the moral aspect, this indifference would lead to a depreciation of the human capital of the poor or to a reduction of their social network, thwarting the objectives of the program.

If the “laziness effect” is real, especially in its most extreme formulations, the defense of the current design of the Bolsa Família Program (BFP) becomes more difficult and a redesign to prevent this phenomenon from occurring becomes imperative. The fundamental problem, of course, is to know if such effect really does exist. Furthermore, if it indeed exists, we should alert ourselves to the question: to what extent can the absence of work be acceptable? Clear examples are child labor and precarious activities undertaken by poorer adults.

The purely theoretical analysis in this case is complex, inconclusive and ambiguous, which leaves the final word to empirical methods. After all, labor contracts usually stipulate a number of hours that cannot be easily changed and the search for a job has costs, which can be very high for low income people. Thus, exogenous income may allow one or more family members to seek a job more intensely, with the transfer ultimately encouraging work, and not the opposite. Impacts may involve child labor and its effects on time allocation of adults, domestic production, among other effects, which have results that are difficult to predict. Theoretical conceptions allow one to visualize the problem more than to answer it. It is not known beforehand, without many restrictions and assumptions, if the final result is an increase or a reduction in the labor supply. This is an empirical question.

Fortunately, on this issue, in Brazil, a variety of methods have pointed to the same results against the hypothesis of a “laziness effect”. When an effect of this kind is found, it is small, located in groups where it is socially more accepted and it is incapable of offsetting benefits of the policy and its excellent focus.

The results found in references, so far, vary somewhat over time and according to the method used. However, they point to a consensus that cash transfer programs are effective in reducing the supply of child labor, in turn, reducing the number of children who do not study or work.

It cannot be expected that all individuals – regardless of gender, age, place in which they live, activities in the job market, etc. – react or benefit the same way in receiving an incentive. As more recent studies better refine the impact on individuals or families studied, the results reveal in more detail the heterogeneity of effects in each case.

“The programs have small impacts on the labor market, and some of these impacts are positive or not necessarily bad”

1. Summary of Chapter 22 from the book *Programa Bolsa Família: uma década de inclusão e cidadania*, MDS/Ipea (*Bolsa Família Program: a decade of inclusion and citizenship*).

2. Researcher from Ipea.

Some results point to a higher participation in the labor market between beneficiaries, albeit with fewer efforts to look for a job. Examining the analysis, we note that women, traditionally with a more sensitive labor supply to the benefit, respond with some supply reduction in supply. However, a justification is the increased attention paid to their children. Thus, depending on the group, small declines in participation or working hours are not necessarily negative or damaging.

In studies that are more concerned with the heterogeneity of the effects, better choices of control groups and that take into account the selectivity that exists in the labor market, it appears that, in fact, women are more sensitive to cash transfers. However, participation only decreases in a statistically significant way among the poor beneficiaries who receive greater sums. The extremely poor do not show significant changes. In terms of working hours, changes are also more significant for women – not much more, however, than an hour of work throughout the working week. That is, there is no clear evidence that the transfers discourage the labor supply significantly, but there are strong signs that, for cultural reasons, women replace work with domestic activities in a greater degree than men.

In general, women and men working in the informal sector are more sensitive to transfers than employees with labor rights in less precarious activities, which make the effects greater in the poorest, most distant and least connected to formal jobs locations. However, it is observed again that self-employed female workers reduce part of their production, while self-employed men use part of the transfer to increase the production of their business.

If it is possible to extract a substantial conclusion from the studies analyzed, it would be: conditional cash transfer programs have small impacts on the labor market and some of these impacts, such as the reduction of working hours by mothers and the increase in the likelihood of getting a job for certain groups, are positive or not necessarily bad. It can be stated, with great authority, that there is no empirical finding that supports the hypothesis that there is an income effect that is larger than a substitution effect (a phenomenon that has been called the “laziness effect”) in the case of these programs.

### FREEDOM, MONEY AND AUTONOMY: THE CASE OF BOLSA FAMÍLIA<sup>1</sup>

Walquíria Domingues Leão Rêgo<sup>2</sup>  
Alessandro Pinzani<sup>3</sup>

We conducted an investigation, from 2006 to 2011, to capture moral and political changes observed in poor women as a result of receiving the benefit of the Bolsa Família Program (BFP). People from the worst social situations were heard: those living in extreme poverty and inhabiting regions traditionally underserved by the State. They are citizens often deprived of minimum public services such as lack of schools, roads, hospitals, cultural centers and meeting spaces. Their voices must be heard, to capture a non-tangible dimension to other forms of research. We sought to evaluate the impact on the “subjectivity” of people, grasp the degree of autonomy achieved and the degree of those enhanced by monetary income, however small, as is the case of the BFP.

We did not resort to a statistical or quantitative research, but to a qualitative research with the use of open interviews that were composed of only few questions, allowing the interviewee to communicate as freely as possible. For moral and political changes to be understood, repeated conversations were held with frequent returns to the field and a close relationship was established which promoted a “contract of confidence”.

The experience of regular income offered by the BFP is still new to a vast majority of the women interviewed. This income impacted their lives, even if it has not ensured full access to other rights. It takes time for more complex changes to be revealed, in particular those relating to moral decisions, such as marital separations or the desire to seek them. The gain of personal freedom and the acquisition of greater respectability in their local lives are subjects of more concern to those interviewed.

Beneficiaries were interviewed in rural or small-town areas in the following regions: parts of the Alto Sertão of Alagoas, as well as the Coastal Zone of this state; Jequitinhonha Valley (MG); some locations in the interior of the states of Piauí and Maranhão; and very poor neighborhoods in the outskirts of São Luís (MA) and Recife (PE).

We attempted to ascertain to what extent the new income impacts everyday life, particularly for women, who in their great majority claimed to feel more “comfortable” and less distressed over the ability to acquire primary goods for their families. All of them reported relevant changes in material life, although a significant number complained of the low value of the benefit, often defined as an “aid”, and almost all declared their preference for a regular job. Among the 150 interviewees, only two said they had quit working to live from the BFP’s benefits. Almost all of them said that it is best when the card is in their own name. The predominant reason was that women take better care of the money, know better what the family needs and make more economical purchases.

“The world is made this way, one must be supported by he who is able to provide this support” (beneficiary of the BFP from Demerval Lobão, Piauí)

1. Summary of Chapter 23 from the book *Programa Bolsa Família: uma década de inclusão e cidadania*, MDS/Ipea (*Bolsa Família Program: a decade of inclusion and citizenship*).

2. Professor of social theory at UNICAMP.

3. Professor of ethics and political philosophy at UFSC and researcher of CNPq.

Nearly 75% said that the BFP is a favor from the government or stems from the fact that President Lula was poor and therefore better understands this situation than his predecessors. Few said that the government has a duty to help them and only five used the word “right”, of which only two, when asked, had an adequate understanding of this concept. Just over half said they vote only out of obligation, but almost all of them acknowledged that they had voted for Lula in the last election and that the fact that he was elected had changed their lives.

Our fundamental hypothesis rested on the idea that monetary income can create and expand opportunities for personal freedoms of individuals, opening up more possibilities for empowering life in general. After five years of interviews, it can be stated that the BFP produces significant changes in people’s lives. One of them being the beginning of the fight to overcome the culture of resignation, the surrendering to death by starvation and diseases related to it.

The approval rate of the program by the interviewees is high, but they emphasize its failure to achieve further improvements in life and more freedom in the choice of consumer goods, given the almost complete lack of perspective of regular jobs. For the vast majority, the BFP is their only monetary income, and in many cases, their first experience of regular income in life. In the words of Dona Inês (fictitious name), 30 years old, two sons aged 12 and 8 years old, resident of the city of Demerval Lobão in the interior of Piauí, who says she sees the government giving back with the BFP what “we paid in taxes” and that the program’s benefit was the only thing that gave her “credit in life”:

Everything you want to do in life needs money, and paying [the grant money], does not silence those who are in need. Necessity isn’t only not having food to eat. It is to want to eat something better and not have it, not be able to. It is to want to dress better and not be able to, to go to the ice-cream shop with your son and not be able to, to see a toy from the store and not be able to buy it for your child. [A poor person has to have someone on her side to help her, because] one must be supported by he who is able to provide this support. That’s how it is. That’s how it is in society, in our home, at school, at church.

In the case of women, their liberation from the dictatorship of poverty and from male domination over their destinies allows a minimum of planning and the beginning of the empowerment in their moral lives. Even by only providing basic assistance, the BFP is able to transform itself in a public policy that substantially strengthens democracy.







### CONDITIONAL CASH TRANSFER PROGRAMS IN LATIN AMERICAN AND CARIBBEAN COUNTRIES: FROM INNOVATION TO CONSOLIDATION<sup>1</sup>

Simone Cecchini<sup>2</sup>

Over the last decade and a half, conditional cash transfer (CCT) programmes – together with other non-contributory social protection programmes such as social pensions – have become the main gateway into social protection systems for poor and vulnerable populations in Latin America and the Caribbean, which were long excluded from any social protection benefit. Today, CCTs cover 127 million people, or 21 per cent of the region's population. In several countries – including Brazil and Mexico – these programmes, which grant families a cash transfer on condition that they fulfil specific commitments aimed at improving their human capacities, have contributed significantly to reduce poverty and inequality.

However, criticism has been raised against CCTs because of their supposed negative impacts on the labour insertion of working-age adults from beneficiary families. There exists a belief that these programmes are creating dependency instead of fostering families' autonomous efforts to overcome poverty. This argument is frequently associated with a vision according to which people live in poverty because of their own lack of effort, rather than because of the structural problems that characterise our societies. CCT programmes, in particular, would constitute a disincentive to poor people to search for work, because families receiving cash transfers would already have a certain level of income guaranteed.

Cecchini (2013) shows that CCTs often have quite limited capacity to cover the income deficit of poor families. Around 2008, the regional average of the maximum per capita amount of transfers was US\$16, about 20 per cent of the rural poverty line. It is thus quite difficult for poor people to stop looking for work simply because they receive public cash transfers. Families will have to continue trying to lift themselves out of poverty through their own efforts. Indeed, impact evaluations available for countries as diverse as Brazil, Chile, Honduras, Mexico, Nicaragua and Paraguay do not find empirical evidence of CCTs' disincentives to beneficiaries' labour insertion.

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In turn, Levy (2010) has argued against a 'vicious circle' of non-contributory social programmes that generate subsidies to the informal sector, incentivising workers to look for low-productivity jobs (to avoid compulsory social security savings), lowering the productivity of labour and capital, and fostering the generation of low-quality employment.

However, the risk of giving social benefits to informal workers seems to have been overstated, as Latin America's informality rate has decreased while CCTs and social pensions have expanded, falling from 54.6 per cent of employed workers in 1990 to 49.1 per cent in 2009. Most CCTs are not directed to working-age adults, but rather to children; nor are they targeted according to the working conditions of beneficiaries. If incomes generated in the labour market do not have an impact on the transfers that can be received by families through social

1. Summary of Chapter 24 from the book *Programa Bolsa Família: uma década de inclusão e cidadania*, MDS/Ipea (*Bolsa Família Program: a decade of inclusion and citizenship*). Also published by IPC-IG/UNDP in the series *One Pager*.

2. Economic Commission for Latin America and the Caribbean (ECLAC).

programmes, then there should not be any perverse incentives to informalisation. Chile's CCT – Ingreso Etico Familiar – actually attempts to provide correct incentives by providing an extra formalisation bonus to women who contribute to social security during their participation in the programme.

Furthermore, the theory of the 'vicious circle' is based on debatable assumptions: on the one hand, that social expenditure is not productive and offsets investment in employment-generating activities and, on the other, that self-employment is voluntary, meaning that most – if not all – of informal-sector workers choose jobs in the low-productivity sector.

However, social protection is an investment in human capacities, leading to important productivity gains. Also, in most cases, workers do not choose to work in the informal sector, but, rather, it is their only choice. Informality is the by-product of the heterogeneity of the productive structure, which creates and maintains the informal sector because of the weak capacity of the modern, higher-productivity sectors to absorb the labour force.

Contrary to the 'vicious circle' of greater informality and lower productivity, it can thus be argued that positive synergies exist among inclusive social protection, growth and decent work. Cash transfers financed by general taxation which are guaranteed and constant over time represent a basic social protection floor for poor households and can contribute to a 'virtuous circle' of autonomous income generation. People living in poverty who receive transfers have a better chance of participating in the labour market, as they have resources to search for work and to cover the costs of transport to and from work. Furthermore, they are able to look for better work, as they have better negotiating power in relation to very low salaries, as well as more resources to invest in productive activities, be they microentrepreneurial or agricultural.

In conclusion, while it is true that if poverty reduction programmes are not designed carefully – for instance, selecting families according to the labour status of their members – they may end up providing wrong incentives, the concerns of the supposed 'vicious circle' seem exaggerated, especially given the still very limited amounts transferred via most non-contributory social programmes in Latin America and the Caribbean.

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### CHALLENGES FOR THE DISSEMINATION OF THE EXPERIENCE OF THE BOLSA FAMÍLIA THROUGH INTERNATIONAL COOPERATION<sup>1</sup>

Marina Carvalho De Lorenzo<sup>2</sup>

Countries and regions around the world exhibit significant variations in their social development and in the living conditions of their populations. However, there are common issues such as poverty, social inequalities and barriers to the access of health and education services, among others. The relation between common difficulties and shared interests to confront these issues opens up opportunities for cooperation. This cooperation aims mainly to improve social protection systems and to reduce poverty and inequality.

Throughout a decade of existence, the Bolsa Família Program (BFP) has attracted international attention with its design and the Ministry of Social Development and Fight Against Hunger (Ministério do Desenvolvimento Social e Combate à Fome – MDS) has been deeply involved in relations with countries seeking to learn from the Brazilian experience. This article aims to analyze the trajectory of international cooperation and partnerships of the Bolsa Família, identifying political-institutional matters that need to be explored in order for the complete Brazilian experience to be shared. International cooperation has been prioritizing the transfer of knowledge on operational routines about how the program is managed, but its effectiveness depends on the political, economic and institutional context, as well as universalized health and education systems capable of supporting the set of instruments that enables its implementation.

For countries seeking the MDS, the Bolsa Família is the main object of interest. The brief history of cooperation identified five types of relationships: bilateral and trilateral technical cooperation; courses for South-South learning; study visits; visits from delegations; and participation in international events. The main type of cooperation has been visits from foreign delegations, coming from 21 countries and involving 131 delegations interested in the BFP. Twenty-one courses were also conducted and there are relations of a more permanent nature with 11 countries, through the formalization of technical cooperation projects. A map was constructed that illustrates the areas of international interest in the BFP and includes profiles, constructed using the Human Development Index (HDI), of countries that have sought collaboration. Most cooperation takes place with countries that have a lower HDI compared to Brazil, demonstrating a new foreign policy scenario in which the country becomes a provider of technical cooperation, especially on social issues.

International cooperation has so far been limited to experience in the use of instruments implemented in the program. While this content is still important, countries have been posing questions on topics that are in the domain of higher-level institutions, and that better relate to political and institutional matters of the implementation. For example: How was it possible to enact the BFP as a law? Where does the money come from? How does the government make municipalities fulfill their required activities? Does the supply of health care and education work as part of the BFP? How does one operate systematic payments to many beneficiaries?

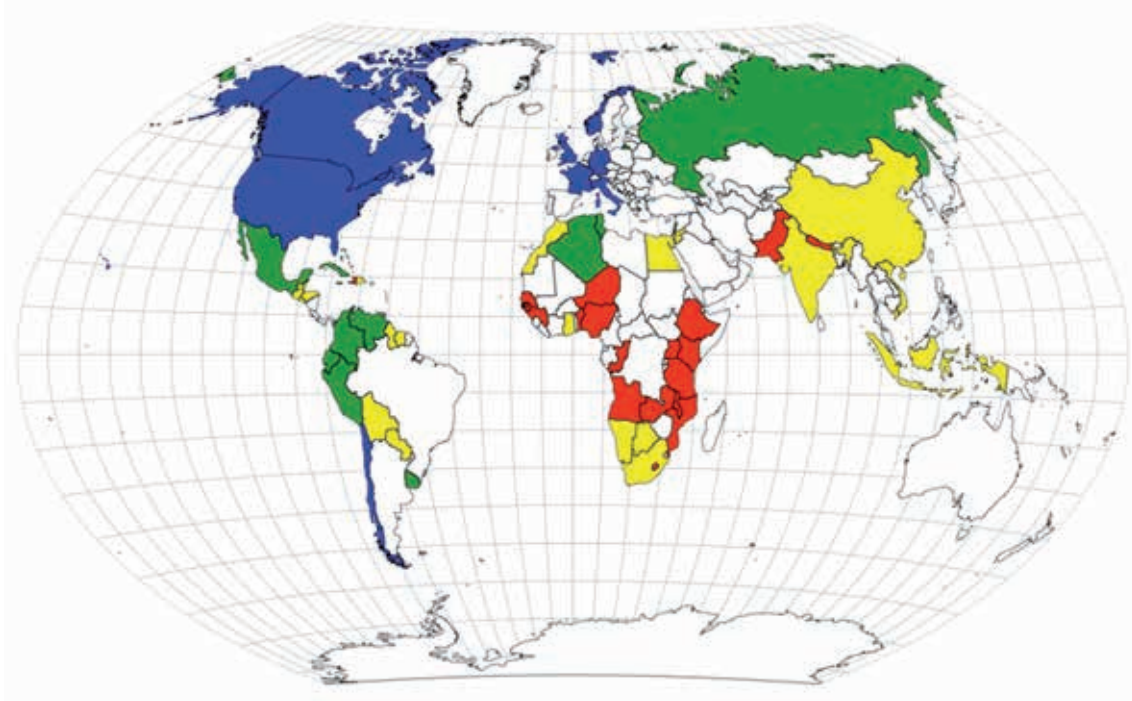
1. Summary of Chapter 25 from the book *Programa Bolsa Família: uma década de inclusão e cidadania*, MDS/Ipea (*Bolsa Família Program: a decade of inclusion and citizenship*).

2. CNPq analyst and project manager at the National Secretariat of Citizenship Income from the MDS.

Is there an electoral use of the program? These questions were grouped into six themes: legal framework and legal security; financial sustainability; organizational and administrative arrangements in the territory; intersectorality; expansion and payment of beneficiaries; and political conditions. In view of the importance of these issues, a deep exchange of their contents in the practice of international cooperation is proposed.

MAP 1

Map of the international cooperation of the Bolsa Familia Program, using the HDI from countries



■ Very high HDI

■ High HDI

■ Medium HDI

■ Low HDI

Source: Internacional Advisory of the MDS.  
Prepared by the author.

The Bolsa Família has worked sufficiently well and has achieved what was expected of it, but this does not mean that it can be exported to other countries. A focus on the broader circumstances of each political-institutional context allows the adaptation of social technologies to different realities. This could be facilitated by the adoption of a work methodology appropriate to the challenges of the disseminating knowledge through international cooperation.

### INCOME TRANSFERS FOR HUMAN DEVELOPMENT IN THE LONGER TERM<sup>1</sup>

Armando Barrientos<sup>2</sup>

In the remarkable expansion of anti-poverty transfer programmes in developing countries in the last decade, human development income transfer programmes, popularly known as conditional cash transfers, have played a very significant role. Their core feature combines income transfers to households in poverty with measures to facilitate investment in human development, particularly among children. From their humble beginnings in Mexico and Brazil as interventions responding to crises, they have evolved into flagship institutions leading national anti-poverty strategies. They have now spread to countries in Africa, the Middle East and Asia. Bolsa Família's 10<sup>th</sup> anniversary provides an opportunity to speculate on their future role.

Current debate on the post-2015 international development agenda helps identify some parameters of their future role. Trends in global extreme poverty suggest that the Millennium Development Goal target to halve the share of the world's population living on less than US\$1/day will be achieved by 2015. Projecting these trends into the future suggest that a zero target for 2030 can be achieved. Sustaining poverty reduction trends into the future will not be easy; it will require high and sustained economic growth as well as effective social policies to ensure a fair distribution of the opportunities and benefits generated by growth.

“Maintaining poverty at zero or near zero levels requires strong, innovative and dynamic welfare institutions, in addition to economic growth and the provision of quality basic services”

For middle-income countries in Latin America, and elsewhere, a zero target for extreme poverty is within reach. However, sustaining zero poverty will prove challenging. It will prove just as challenging as the efforts to drive poverty towards zero rates – if not more so. The central challenge for middle-income countries is to equip their emerging welfare institutions with the capacity to transition from a primary focus on (extreme) poverty reduction to a focus on sustaining poverty eradication. Maintaining poverty at zero or near zero levels requires strong, innovative and dynamic welfare institutions, in addition to economic growth and the provision of quality basic services.

In the context of human development income transfer programmes in the region, this involves managing two key progressions and satisfying one condition. First, it requires a progression from flagship programmes aimed at driving poverty to zero to stable and permanent institutions capable of sustaining zero poverty. Second, it entails a shift in perspective, placing greater emphasis on the role of social assistance in ensuring human development and opportunity as a means of achieving social and economic inclusion for disadvantaged groups. A condition for these two progressions is the presence of positive policy-to-politics feedback effects capable of sustaining political support for social assistance.

The evolution of Bolsa Família in its first decade provides important lessons for other countries regarding these two transitions. The growing institutionalisation of Bolsa Família, and social assistance more broadly, including the formation of the Ministry of

1. Summary of Chapter 26 from the book *Programa Bolsa Família: uma década de inclusão e cidadania*, MDS/Ipea (*Bolsa Família Program: a decade of inclusion and citizenship*). Also published by IPC-IG/UNDP in the series *One Pager*.

2. Professor and Research Director of the Brooks World Poverty Institute at the University of Manchester.

Social Development and Zero Hunger in 2004, point in the direction of stable and permanent institutions capable of sustaining zero poverty. Debates around the role of social assistance, including Bolsa Família, identify the options ahead in terms of extending social and economic inclusion in Brazil. Human development income transfer programmes have a promising future at the centre of emerging welfare institutions in the South.

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### THE PROGRAMA BOLSA FAMÍLIA AND ITS RELEVANCE FOR THE ILO'S CONCEPT OF THE SOCIAL PROTECTION FLOOR<sup>1</sup>

Helmut Schwarzer<sup>2</sup>

During the last decade the role of social protection has been strengthened in the international debate on development. Inspired by various concrete examples of social policies in the Americas and elsewhere, the model of 'inclusive growth' has developed. Social protection is no longer seen only as a condition that favours development, but as an indispensable element of equity that can have sustainable effects on opportunities and the potential of a country's future development (ILO, 2011). It is now understood as a right to which everyone should have access.

This development has been strongly supported by the International Labour Organization (ILO) and was most recently expressed in ILO Recommendation No. 202 on the social protection floor (SPF) (ILO, 2012). The ILO aims to extend social protection by means of a two-dimensional strategy: the vertical dimension refers to the quantity of social security branches covered and to the quality of the benefits, and usually consists of obligatory and voluntary contributory schemes. It seeks a progressive achievement of higher levels of protection according to Convention No. 102 (on minimum standards of social security). The horizontal dimension refers to the quantity of people covered and aims at the rapid implementation of national SPFs containing basic social security guarantees at a nationally defined level in line with Recommendation No. 202. These basic guarantees are universal access to essential health services, and basic income guarantees for families with children, for people of working age who are not able to obtain sufficient income themselves, and for elderly people (ILO, 2012: art. 4-6).

“It is possible to gradually expand non-contributory policies which universalise, in a coordinated way, access to basic social benefits, at a comparable low cost and with an elevated impact”

The SPF leaves the concrete design and adequate combination of schemes and programmes as well as the level of the benefits to each country, allowing the adaptation of the recommendations to its context and capacities. Benefits should permit a dignified life for everyone (ibid: art. 8), and the guarantees should be inscribed into national law to turn them into a right for all citizens (ibid: art. 7). The SPF emphasises furthermore that social policies should be coordinated together with other policies (ibid: art. 10) and that a system of monitoring should be established (ibid: art. 19). Whenever possible, SPFs should be financed by national resources (ibid: art. 12). In addition member states are asked to develop 'national strategies to extend social security' (ibid: art. 14).

The SPF was inspired by different international experiences, which proved that it is – conceptually and logistically – possible to construct large-scale programmes with a positive impact on poverty and inequality. SPF policies should be coordinated with a number of other policies, such as education, employment and health, and extend the range of social protection beyond the classic contributory regimes. One example is conditional cash transfers (CCTs), which combine monetary transfers to poor families with access to social services. The Brazilian Programa Bolsa Família (PBF) is one of the largest and most successful CCTs, with an important demonstrative international role. The programme combines the objectives of alleviating extreme poverty through monetary transfers to families below the poverty line, and

1. Summary of Chapter 27 from the book *Programa Bolsa Família: uma década de inclusão e cidadania*, MDS/Ipea (*Bolsa Família Program: a decade of inclusion and citizenship*). Also published by IPC-IG/UNDP in the series *One Pager*.

2. International Labour Organization (ILO).

of interrupting intergenerational poverty transmission by ensuring the realisation of the beneficiaries' right to health and education. To manage the conceptual challenges involved – for example, regarding registering, targeting and monitoring – innovative and exemplary mechanisms of coordination, evaluation and management were developed. It should be stressed that the programme reaches 13 million families (over 50 million people) at a cost of only 0.5 per cent of GDP. An additional aspect to be highlighted is the embedding of the PBF in the Sistema Único de Assistência Social (SUAS) and its integration into the national extreme poverty eradication plan Brasil sem Miséria, launched in 2011. It is thus an important element in the long-term strategy of Brazilian social security policies. The PBF also shows that it is possible to develop an anti-poverty programme that is based on rights and not a 'gift' to poor people by some governor.

In the view of the ILO's Social Protection Department, the Brazilian experience, and especially the PBF, documents that it is possible to gradually expand non-contributory policies which universalise, in a coordinated way, access to basic social benefits, at a comparably low cost and with an elevated impact as proposed by the SPF concept (UNDP/ILO, 2011; ILO, 2013).

When looking into future possible developments of the Brazilian social security system, it is very likely that the PBF will continue its development and might be increasingly linked to other social services, such as measures to support the inclusion of beneficiary adults into the formal labour market (already in process). It will be important to guarantee financing for the programme in the long term. Looking at demographics and the lower number of young people in the future suggests that the principles of universalism can be further applied by coordinating the PBF and the contributory Salário Família, to provide universal child benefit coverage. A programme targeting adults of working age could also evolve, offering them, for example, access to services that facilitate integration into the labour market. This is especially important, as there is still a coverage gap regarding unemployment benefits and other labour market programmes, which currently focus on formally employed workers.

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### CHALLENGES OF A PATH OF SUCCESS: TEN YEARS OF THE BFP<sup>1</sup>

Amélia Cohn<sup>2</sup>

The past ten years of the Bolsa Família Program (BFP), since it was implemented by the Lula and Dilma administrations, represents a rare successful experience in our history with regard to a social program. It has been continuously expanded and improved, covering the entire national territory and omitting only individuals and families less accessible by the State. These once shunned individuals now receive special attention with the implementation of the Brazil Without Extreme Poverty Plan (Plano Brasil Sem Miséria – BSM) since the beginning of President Dilma's term.

It is a true revolution in Brazilian society, given the magnitude of inclusion in the economy, the transfer of resources to the poorest municipalities, the monetization of the most remote places of the territory and the promotion of citizenship awareness by the poorest segments of the population. It is an innovative program in Brazil as it transfers funds directly to beneficiaries, without intermediation. Its ten years highlight the stability of a social program originally not included in the Constitution as a right, but that has been increasingly considered an “almost right” given the way in which the poor have adopted it. Its success leads one to think of the potential for improvement of other public policies, especially social ones.

“The three of them study only with a pencil and a notebook, for I don't have means to purchase their materials”  
(letter to the President)

(...) an assistance, it is short-lived; what I need is a job that guarantees my life

This sentence, from a letter to then President Lula and written by a woman living in the interior of the state of Paraíba, reflects the close relationship that should be promoted between the benefit received and the qualification of labor and employment promotion programs. The immediate economic impact of the BFP in a given location is essentially through consumption and transforming it into economic growth locally and regionally requires measures that will only take effect in the medium and long term. For cash transfers programs, even conditional ones, to have an effect on society, they must be combined with a development project that includes the insertion of these underprivileged people in society through work and consumption.

The needs of those who are socially excluded from the market can be met through the sustained access to a source of income on a long-term basis, preferably their whole life. It is a common complaint that without employment, even after decades of contribution, workers cannot retire because they cannot continue contributing. The BFP replaces the ideal retirement situation:

(...) also, in my situation of paying the INSS (retirement plan) for 20 years and having to pay another 13 years without being able to, I think it is absurd – If I go to the INSS they tell me same thing.

and:

Our survival is ensured by subsistence agriculture. We live in a difficult situation because agriculture in a dry region such as ours does not offer ideal conditions for production... My retirement process

1. Summary of Chapter 28 from the book *Programa Bolsa Família: uma década de inclusão e cidadania*, MDS/Ipea (*Bolsa Família Program: a decade of inclusion and citizenship*).

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is being handled by the INSS and it hasn't developed in a long time. The INSS instructed me to hire a lawyer to ensure my retirement benefit.

The 1988 Constitution emphasizes health as a right. In fact, the acquisition of medicines and medical procedures not available from the Unified Health System (Sistema Único de Saúde – SUS) for beneficiaries or potential beneficiaries is linked to the BFP, reinforcing social inclusion via integration through the market.

(...) because when my pills are missing (from SUS) I can go to the doctor and then I'm able to purchase them in any pharmacy.

The link, however, does not occur in the same manner with children's education. One associates the BFP to the ability to feed them, clothe them or buy their school supplies. This demonstrates the extent of public education coverage to a significant portion of the population. Here is a case that relates the BFP to education and health:

(...) My three kids are sick, my oldest daughter ... she is obese and has heart problems ... my second daughter ... is 12 years old and suffered burns... deep ones that almost reached the lung and she needs to wear clothes to get better. My third child ... has skin problems. The three of them study only with a pencil and a notebook, for I don't have means to purchase their materials.

Several classical welfare state scholars show that its sustainability is ensured through the way society appropriates this condition of well-being, by recognizing its basic citizenship rights. After the establishment of the Unified Social Assistance System (Sistema Único de Assistência Social – SUAS) in 2005, the BFP began acting locally. The program has become further institutionalized, since social assistance, now under the scope of social security, constitutes a right (though the Bolsa Família does not) and is managed at the central level. The BSM and the BFP have become competing public policies and not integrated programs, based on the manner in which the government expresses its agenda to the public, even though the PBSM is a step ahead of the BFP, which is, in turn, a step closer toward establishing (however slow) public basic income.

The question, for the coming years, is how to integrate through consumption, production and citizenship, to promote awareness of social rights. Despite its great advances, the challenge for the BFP is that the hybrid nature of the program (the generation of opportunities and guarantee of minimum income) demands a better definition of its content and of the choices to be made. It will be up to society and the political process that follows, whether (or not) this (re)definition will come to pass.

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### APPROXIMATING INTENT AND ACTION: BOLSA FAMÍLIA AND THE FUTURE<sup>1</sup>

Celia Lessa Kerstenetzky<sup>2</sup>

The Bolsa Família Programme, the biggest cash transfer programme of its kind, is now 10 years old. It is only natural that we should start to think about its future.

When speculating about the programme's near future, two distinct visions come to mind. In the first, by transferring cash to eligible poor people and targeting social services at them, the programme will take over the core of the Brazilian welfare state. In the other, the programme will find a proper place within a universalistic, rights-based social welfare architecture. In the first vision, the programme would absorb the energies of the welfare state, while in the latter it would be absorbed by it. Both extreme possibilities are latent in the programme's cash-cum-service design: Bolsa Família provides cash to beneficiary families with children and sets requirements of service use for continuing eligibility, all this in a setting where the public supply and quality of social services are seriously deficient. This suggests that to fulfil one vision or the other, existing services must be either targeted at poor households or extended to both poor and non-poor. Another point of contention is eligibility itself, which, in one vision, should remain a necessary but not sufficient criterion of access to the transfers, while in the other it should be converted into an entitlement. Although a caricature to some extent, these distinct conceptions seem to account for a perceived dissonance among public officials regarding issues such as eligibility criteria, benefit levels, the moral, efficiency and effectiveness aspects of conditionalities, and other relevant minutiae.

“The programme's non-pauperist vocation requires its universalisation, with the provision of adequate benefits to all Brazilians who need them”

One way to 'decide' which road to take is to recall the original vision. But what was the original vision, the 'spirit of 2003', and what is needed for the programme to live up to that vision?

Back in the origins of the 2001 Bolsa Escola, and especially later with the 2003 Bolsa Família programme's inclusion of extremely poor childless families, one finds a plain rejection of pauperism. These programmes were based on the non-pauperist assumption that poverty is not fundamentally a matter of wrong choices by poor people but, rather, a lack of social and economic opportunities and protection – a diagnosis that couches them in the tradition of the universalistic welfare state (the second vision described above). After a somewhat irregular evolution, recent adjustments in Bolsa Família have reinforced this impression: more children were allowed in, a two-year permanent income criterion together with automatic readmission were included, a shift was made from poverty alleviation to extreme poverty elimination and thus from efficiency to effectiveness concerns. The programme's budget, as a result, increased from the initial 0.2 per cent of GDP in 2003 to more than 0.5 per cent in 2012.

But the programme still leaves a lot of poor people uncovered, by budget and design. Among those excluded by design are childless families living between extreme poverty and the poverty cut-offs and all those obviously poor though with income levels above the programme's very low poverty thresholds.

1. Summary of Chapter 29 from the book *Programa Bolsa Família: uma década de inclusão e cidadania*, MDS/Ipea (*Bolsa Família Program: a decade of inclusion and citizenship*). Also published by IPC-IG/UNDP in the series *One Pager*.

2. Centre for the Study of Inequality and Development (CEDE), Fluminense Federal University.

Also, the meagre benefits, especially the basic benefit to extremely poor households, have not risen in line with inflation rates and thus have suffered a decline in real terms. In fact, although the programme is great at reducing inequality among poor households and extreme poverty (because of the very low cut-offs), it has not been as good at reducing poverty, even under the official floor (Soares, 2012).

The programme's non-pauperist vocation then requires its universalisation, with the provision of adequate benefits to all Brazilians who need them, which in one simulation would raise the budget to around 1.5 per cent of GDP (Monçores, 2012). The figure, though small, is not as 'invisible' as the marketing of the conditional cash transfer programmes often boasts. This suggests that to redress past injustices in the distribution of social opportunities, as they are crystallised in present poverty, renewed discussion of the social contract seems inescapable. So there is going to be some political debate in the future.

A non-pauperist orientation may also entail a readjustment of our current arrangements concerning opportunities in connection with Bolsa Família. Thus far the burden has mainly been borne by the beneficiaries, who risk losing the transfers if they do not ensure their children go to school and attend health check-ups. And yet good public provision – rather than the willingness of beneficiaries to use services – is what is lacking. Although a new emphasis on the provision of services to beneficiaries suggests an increasing awareness of these problems, an undesirable collision between draining social services to poor people and the legally guaranteed universality of these services to all Brazilians is foreseeable. This is a fearsome prospect, not the least because the biggest protection to quality services for poor people is that they cater to the standards of potential middle-class users. Also, an emphasis on conditions or counterparts to cash transfers constitutes a distraction from the real objectives of the policy (Kerstenetzky, 2013). One should not neglect the unintended implications in terms of norms and perceptions that non-poor people who fund the policy end up developing, such as that there is no free lunch. Cash transfers for poor people are not a free lunch. They are a repayment of a social debt – a historical debt that Brazilians do not want to perpetuate. That is why they concocted a cash-cum-services programme. So, making explicit the non-pauperist assumptions of the Bolsa Família programme – and unambiguously acting on them – may be the expected contributions of the public officials in charge of it to the public conversation on the programme's future.

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## Ipea's mission

Enhance public policies that are essential to Brazilian development by producing and disseminating knowledge and by advising the state in its strategic decisions.

The Bolsa Família Program (BFP) benefits 50 million people and is present in all Brazilian municipalities. After a decade of its existence, Brazilian society is invited to reflect upon the path through which the world's largest income transfer program was consolidated.

The results achieved by the BFP in combating poverty, in its many dimensions, are evident today. Access to income, reduction of infant mortality, increase in school performance, higher quality of food consumed, professional qualification, expansion of labor opportunities, macroeconomic effects and decrease in inequality are a few of the elements that compose the rich panorama analyzed by the 66 authors throughout 29 chapters of this volume.

Citizenship, social inclusion and the autonomy of poor families are indicative that Brazil is experiencing a period of greater optimism and change. The works gathered here, which provide attentive and critical analyses, add to the effective and constant effort of perfecting the Bolsa Família Program and of building new paths and perspectives for its beneficiaries