

COVERAGE

In September 2017, the Bolsa Familia Program (BFP) benefited 13.4 million families out of a total of 28.2 million families (81.2 million people) enrolled in the Unified Registry for Social Programs (*Cadastro Único*) in August 2017.¹

TARGETING

The program is accurately targeted. The concentration coefficient² is around -0.54, which is better than any other source of income in Brazil, and fairly close to the coefficient of other similar programs in Latin America, notably “*Chile Solidario*” in Chile and the “*Prospera*” (formerly “*Oportunidades*”) program in Mexico.³

MONITORING OF CONDITIONALITIES

School attendance monitoring reached 88.6% of the children and adolescents in Brazil aged 6 - 15, and 78.7% of 16 and 17 year-olds. 95.4% beneficiaries aged between 6 and 15 years and 92.7% of 16-17-year-olds have school attendance records above the minimum required.⁴

Health monitoring reached 73% of families in December 2016. 99.7% of the pregnant women monitored and receiving benefits under the program are up-to-date with their prenatal care. 99.1% of beneficiary children monitored have been vaccinated on schedule.⁵

IMPACTS ON EDUCATION

A one percentage point (p.p.) increase in the number of schoolchildren benefited by the BFP represents an average 0.012 p.p. reduction of school dropout rates. Hypothetically, if all the children attending a particular school were beneficiaries of the program, the dropout rate would be 1.2 p.p. less than in other schools where children were not beneficiaries of the Bolsa Familia. This is an important point to consider since the dropout rate in schools where the number of beneficiary children exceeds 75% was 5.41%.⁶

Other studies show that the *Variable Youth Benefit* (BVJ), incorporated in the BFP in 2007⁷ enhanced the probability of school attendance by four percentage points, even after controlling the number of children in a family, the schooling level and age of the mother, race and other indicators referring to urban areas and the states where the families lived.⁸

1 SAGI / MDS (2017) Information Report on Bolsa Familia and Cadastro Único (RI) - Data for August and September 2017.

2 The coefficient of concentration is a measure that varies from +1 to -1. The lesser the value of the concentration coefficient, the greater the pro-equality distribution of the variable in question. Among the transfers carried out by the Brazilian state, the Bolsa Familia has the smallest concentration coefficient.

3 S. Soares (2012). Bolsa Familia: A Summary of its Impacts. IPC One Pager No. 137.

4 SAGI/MDS (2017) Information Report on Bolsa Família and Cadastro Único (RI) - Data for May 2017.

5 SAGI/MDS (2017) Information Report on Bolsa Família and Cadastro Único (RI) - Data for December 2016.

6 P. Camargo, E. T. Pazello (2014). Uma análise do efeito do Programa Bolsa Família sobre o desempenho médio das escolas brasileiras. *Economia Aplicada*. 18(4).

7 The BVJ is a variable benefit component of the BFP. To access this benefit families who are already in the program must ensure that 16-17 year olds attend school regularly.

8 I. Chitolina, M. Foguel, N. Menezes-Filho (2013). The Impact of the Expansion of the Bolsa Família on School Attendance. IPC One Pager No. 234.

The narrowing of the educational performance gap between BFP beneficiaries and non-beneficiaries in the 5th to 9th grades suggests that participation in the program and compliance with the education conditionalities can contribute to reducing performance disparities between beneficiaries and non-beneficiaries over time.⁹

Municipalities where school attendance monitoring is more widely used record better educational indicators (i.e. fewer dropout rates and better school progression rates), which suggests that Bolsa Familia conditionalities have a positive effect on these indicators.¹⁰

IMPACTS ON HEALTH

The incidence of low birth weight is 14.5% lower among babies from BFP beneficiary families in the “extremely poor” category.¹¹

Prenatal care is higher among BFP beneficiary families: in 2009, pregnant women benefiting from the program undertook 1.6 prenatal visits more than women from non-beneficiary families.¹²

Substantial reductions in the mortality rate of children under five years old: municipalities with a high Bolsa Familia coverage over several years have under-five child mortality rate 19% lower than similar municipalities with lower BFP coverage. The differences can be observed between such municipalities when mortality causes are related to poverty (such as diarrhea and malnutrition): municipalities with high and consolidated Bolsa Familia coverage have 53% less diarrhea-caused mortality and 65% less malnutrition-caused mortality among children under 5 years old.¹³

Higher vaccination rates and higher prevalence of breastfeeding in the first six months of life.¹⁴

IMPACTS ON INEQUALITY

The Gini coefficient fell constantly from an average of 0.59 during the 10 years prior to launch of the program (1992-2002) to 0.518 in 2014.¹⁵

9 F. Cireno, J. Silva, R. Proença (2013). Conditionalities, School Performance and Progression of BFP beneficiaries. IPC One Pager No. 241.

10 L. H. Paiva, F. V. Soares; F. Cireno; I.A.V. Viana; A. C. Duran (2016). The effects of conditionality on educational outcomes: evidence from Brazil's Bolsa Família Program. IPEA Discussion Paper v. 2013.

11 L.M.P. Santos, F. Guanais, D. L. Porto, O. L. Morais Neto, A. Stevens, J. J. Cortez-Escalante, L. Modesto. Menor ocorrência de baixo peso ao nascer entre crianças de famílias beneficiárias do Programa Bolsa Família. In: MDS (2013). Bolsa Família Program: a decade of inclusion and citizenship. According to the authors, the incidence of low birth weights was 6.3% for children from extremely poor families not receiving the BFP (10.6% of the sample). For 'extremely poor' beneficiaries the incidence was 5.5% (78.6% of the sample) in 2006-2008.

12 H. M. Magalhães Júnior, P. C. Jaime, A. M. C. Lima. 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). In: MDS (2013). Bolsa Família Program: a decade of inclusion and citizenship.

13 D. Rasella, R. Aquino, C. A. T. Santos, R. Paes-Sousa, M. L. Barreto. Effects of the Bolsa Família Program on child mortality: an analysis in municipalities. In: MDS (2013). Bolsa Família Program: a decade of inclusion and citizenship.

14 SAGI/MDS (2012). Pesquisa de avaliação de impacto do Programa Bolsa Família: segunda rodada (AIBF II). H. M. M. Júnior, P. C. Jaime, A. M. C. Lima. O papel do setor saúde no Programa Bolsa Família: histórico, resultados e desafios para o Sistema Único de Saúde. In: MDS (2013). Bolsa Família Program: a decade of inclusion and citizenship.7

15 INSTITUTE OF APPLIED ECONOMIC RESEARCH (IPEA) - Ipeadata. Available at: <<http://www.ipeadata.gov.br>>. Accessed on 18 October 2017.

The BFP accounts for between 16% and 21% of the total reduction in inequality since 2001.¹⁶

IMPACTS ON POVERTY

The BFP accounts for 8% of the reduction in the poverty rate, 18% of the decline in the poverty gap, and 22% reduction in the severity of poverty.¹⁷

In 2003-2011 “extreme poverty” fell from affecting 8% of the population to just over 3%, and “poverty” from 16% to 6%. Poverty and extreme poverty, taken together, declined from 23.9% to 9.6% of the population.¹⁸

In the absence of the BFP, the number of people and extremely poor families would be 45%-50% higher.¹⁹

IMPACTS ON CONSUMPTION

The BFP influenced increased consumption of the main food groups, particularly in the poorest regions of the country, thereby contributing especially to better child nutrition.

This particular impact of the BFP can possibly be explained by the program preference to have women as the benefits recipient, what is frequently assumed to have positive effects on the quality of what families are consuming. Moreover, families realize that since the conditionalities of the program are linked above all to access by children and adolescents to education and health services, the BFP cash benefits from the program should be spent primarily on this group.²⁰

The BFP increases by 23% opportunities for beneficiaries to access financial services. Given that the benefit system is operated by a bank means that beneficiaries can obtain better access to a range of other financial services. In this respect the Bolsa Familia can be seen not only as a “way out” of poverty but also as a “gateway” to more sophisticated sectors of the financial markets such as credit and insurance.²¹

IMPACTS ON EMPLOYMENT

Evaluations reveal an insignificant impact of the BFP on the reduction of the supply of adult labor (hours worked), contrary to the widespread belief that cash transfers would create disincentives to work.²²

16 S. Soares (2012). Bolsa Família: A summary of its impacts. IPC One Pager No. 137.

17 S. Soares (2012). Bolsa Família: A summary of its impacts. IPC One Pager No. 137.

18 P. H. Souza, R. G. Osorio. O perfil da pobreza no Brasil e suas mudanças entre 2003 e 2011. In: MDS (2013). Bolsa Família Program: a decade of inclusion and citizenship.

19 P. H. Souza, R. G. Osorio, S. Soares. Uma Metodologia para Simular o Programa Bolsa Família. IPEA, TD 1654, 2011.

20 P. M. Jannuzzi and A. R. Pinto (2013). Bolsa Família e seus impactos nas condições de vida da população brasileira: uma síntese dos principais achados da Pesquisa de Avaliação de Impacto do Bolsa Família II. In: MDS. Bolsa Família Program: a decade of inclusion and citizenship.

21 M. Neri (2017). Uma próxima geração de programas de transferência de renda condicionada. Public Administration Journal (Revista de Administração Pública), v.51, No.2.

22 L. F. Batista de Oliveira, S. Soares. O que se sabe sobre os efeitos das transferências de renda sobre a oferta de trabalho. Discussion Paper No. 1738. Brasília: IPEA, 2012.

Evidence of possible impacts of the program on informality in the jobs market is not yet proven. There is evidence of an “informal employment” effect linked to the BFP, i.e. that certain changes have taken place which indicate migration from ‘formal’ to ‘informal’ work among beneficiaries (around 8 hours difference).²³ Evidence also points to the reverse situation, i.e. that there is no ‘informality’ effect associated with the Bolsa Familia.²⁴

The BFP has helped to reduce the number of hours that children and youngsters between 5 and 17 years old spend doing housework (a reduction of 4.5 hours in general and of 5 hours for boys). The BFP has also had an impact on male children and youths joining the labor market later than previously.²⁵

The number of entrepreneurs among less educated men increased by 10% thanks to the Bolsa Familia. This was especially due to more money entering the homes of beneficiary families. This was also the case with non-beneficiaries: there is evidence that the program has encouraged informal private lending between beneficiaries and non-beneficiaries (risk-sharing strategies among poor families).²⁶

The risk of Bolsa Familia program beneficiaries quitting their employment is between 7% and 10% less than the risk for non-beneficiaries. The BFP, for example, mitigates the greater risk involved in quitting a job due to the presence of small children in the family.²⁷

IMPACTS ON ECONOMIC GROWTH (MULTIPLIER EFFECT)

GDP growth is estimated to have grown by R\$ 1.78 for every R\$ 1 paid to the beneficiaries of the Bolsa Familia program (multiplier effects). This impact is more significant than that produced by other cash transfers such as the Continuous Welfare Benefit for the Elderly and Disabled (*Benefício de Prestação Continuada* - BPC) (R\$ 1.19), the *Unemployment Insurance* scheme (R\$ 1.06), or public and private sector pension schemes (negative multipliers -0.53 and -0.52 respectively).²⁸

IMPACTS ON WOMEN’S EMPOWERMENT

Various indicators highlight improvements in women’s empowerment (e.g. more decision-taking by women at home, decisions about health-related expenditure, purchases of durable goods, etc.).²⁹

26 L. F. Batista de Oliveira, S. Soares. O que se sabe sobre os efeitos das transferências de renda sobre a oferta de trabalho. Discussion Paper No. 1738. Brasília: IPEA, 2012.

23 A. de Brauw, D. O. Gilligan, J. Hoddinott, S. Roy (2013). The Bolsa Família and Household Labor Supply. IPC One Pager. No. 239.

24 A. L. N. H. Barbosa and C. H. L. Corseuil (2014). Bolsa Família, escolha ocupacional e informalidade no Brasil. IPEA Discussion Paper No. 1948. According to the authors: “the results suggest that the program has no impacts on the job choices of the beneficiaries” (i.e. whether they choose to work in the formal or informal sector).

25 SAGI/MDS (2012). Pesquisa de avaliação de impacto do Programa Bolsa Família: segunda rodada (AIBF II).

26 R. Ribas (2014). Liquidity Constraints, Informal Financing, and Entrepreneurship: Direct and Indirect Effects of a Cash Transfer Program. Working Paper.

27 D. B. Santos, A. R. Leichsenring; N. A. Menezes Filho; W. Mendes-da-Silva (2016). Os efeitos do Programa Bolsa Família sobre a duração do emprego formal das pessoas pobres. Discussion Paper No.5. FGV/EAESP.

28 M. C. Neri, F. M. Vaz, P. H. G. F. Souza. Efeitos macroeconômicos do Programa Bolsa Família: uma análise comparativa das transferências sociais. In: MDS (2013). Bolsa Família Program: a decade of inclusion and citizenship.

29 SAGI/MDS (2012). Pesquisa de avaliação de impacto do Programa Bolsa Família: segunda rodada (AIBF II).

The BFP increases by around 10 percentage points the number of women who report taking individual decisions regarding the use of contraceptive methods. The impact was most substantial in urban areas (measured in 2009). This positive result could be linked to women using the health services more frequently, and also to the fact that they have more money at their disposal (e.g. from the BFP cash benefit). This evidence suggests that the Bolsa Familia program could potentially serve as a tool for promoting women's reproductive rights.³⁰

IMPACTS ON MIGRATION

The BFP has had a statistically significant impact on the reduction of migration from Brazil's poorest states, in the north-east, to wealthier states, particularly those in the south-east. However, there is as yet no evidence of the effects of the BFP on former migrants returning to their old homelands (north-east Brazil).³¹

COST AS A PERCENTAGE OF GDP

Budget of R\$ 28.5 billion in 2016 (R\$ 2.4 billion monthly). Benefits paid directly to families, which represents 0.5% of Brazil's GDP. In September 2017, each family received cash benefits worth an average of R\$ 179.64.³²

30 L. Bartholo, L. Passos e N. Fontoura (2017). Bolsa Família, Autonomia Feminina e Equidade de Gênero: o que indicam as pesquisas nacionais? IPEA, Discussion Paper No. 2331

31 R. M. Silveira Neto (2008). Do Public Income Transfers to the Poorest Affect Internal Inter-Regional Migration? Evidence for the case of the Brazilian Bolsa Família Program. Reports of the 26th National Economy Meeting (Encontro Nacional de Economia).

32 SAGI/MDS (2017) Information Report on Bolsa Família and Cadastro Único (RI) -Data for August and September 2017.