



The urban productive inclusion strategy in the “Brazil Without Extreme Poverty” Plan brought new hope to a significant segment of the population of poor youths and adults who had no previous access to quality education or professional training courses and whose employment status in the labor market was generally precarious.

The urban productive inclusion strategy seeks to build on the willingness of these people to work, by promoting improvements in their living conditions, and by encouraging them to join the world of work as salaried employees, self-employed workers or members of workers` cooperatives.

Professional training, job placement services, the provision of incentives, and support for entrepreneurship and the communal organization of solidarity enterprises are some of the components of this strategy.

PROFESSIONAL TRAINING

As the flagship of the professional training strategy, the National Program for Access to Technical Education and Employment (*PRONATEC*) offers free courses that are officially recognized both by the Ministry of Education (responsible for the program) and employers.

Courses are taught by various bodies that comprise the “S System” (*Senai, Senac, Senat and Senar*)¹ and in the federal, state and municipal professional and technical education network, all accredited by the Ministry of Education, which also is responsible for providing the funds to pay for these courses directly to the entities involved.

If a local government authority wishes to host professional training courses in its municipality, it must first formally sign up with *Pronatec*. The federal government, as well as paying for the courses to ensure that they are delivered free of charge to the students, also funds schools to cover educational materials and student allowances (food and transport).

There are hundreds of different types of courses lasting a minimum of 160 hours each, available for people over 16 years of age, with priority given to those registered in the federal government’s Unified Registry for Social Programs. Places on these courses exist for people with different schooling levels, from basic literacy to secondary school level (depending on the course).

As with other actions under the “Brazil Without Extreme Poverty” Plan targeted at the poorest sector of the population, a specific method was designed to cater for this target audience. This approach, invaluable for avoiding subsequent dropouts, involved bringing applicants up to a reasonable general educational standard before requiring them to tackle specific course subjects.

¹ National Industrial Training Service (*Senai*), National Service for Commercial Education (*Senac*), National Transport Training Service (*Senat*), and the National Rural Education Service (*Senar*).



In order to maximize students' opportunities to enter the jobs market, the number of places and types of courses offered in each location are negotiated between the public authority, course providers and the local business community.

Participation in the scheme by the Unified Social Assistance System (*Suas*), with its nationwide coverage and experience of dealing with the most vulnerable families, was crucial for developing the aforementioned enrollment strategy, providing the target audience with course information, and monitoring progress by the beneficiaries.

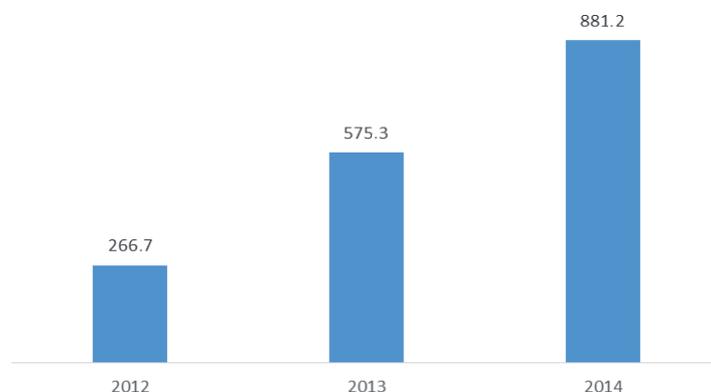
Social assistance is also vital for guiding and referring *Pronatec* – trained people to job placement and micro-entrepreneurship services, as well as to solidarity economy initiatives.

PRONATEC OPERATIONALIZATION	
Initial action by municipal government	Electronic form completed designating an intermediary to coordinate <i>Pronatec</i> – related issues
Negotiation and request for courses and student places	Municipal government holds discussions with business associations and submits resulting proposals via the Ministry of Education IT system
Official approval	Ministry of Education defines the courses and places that the municipality will be eligible to receive during the period
Advertising courses and mobilizing beneficiaries	Both activities organized and implemented by the social assistance network, also involving the <i>Acessuas Trabalho</i> teams
Pre-registration	Municipal managers insert the data of people interested in taking the courses in the Ministry of Education system
Registration	Beneficiary visits the school to confirm enrollment
Classes commence	Enrollment method employed to cater for people in a situation of social vulnerability
Monitoring of beneficiaries	In order to assess the need for social assistance support to ensure continued attendance by the student in the course (in the event of problems of reconciling study/work timetables, looking after young children, family health problems, difficulties to adapt to the school's institutional culture or difficulties encountered in following course content)
Links to work, employment and income policies	Offer of job placement service, formal registration of enterprises, technical assistance for micro-entrepreneurs and advice on productive micro-credit

Results

From January 2012 to October 2014, the *Pronatec* scheme benefited around 4000 municipalities with 1.7 million people (registered in the Unified Registry) enrolled, with 67% of them women and 40% adults aged between 18 and 29. The majority of enrollments was in the Northeast region (32%), followed by the Southeast (24.1%), South (23.6%), Midwest (11.6%) and North regions (8.6%).

EVOLUTION OF ENROLLMENTS IN PRONATEC (2012-2014)



Source: Ministry of Education.

Insertion in the labor market

In order to monitor the effectiveness of the *Pronatec* component in the “Brazil Without Extreme Poverty” Plan, the MDS cross-referenced data from the Unified Registry, the *Bolsa Família* payrolls, the National Professional and Technological Education Information System (*Sistec*),² the Annual Report on Social Information (*Rais*) and the General Register of Employed and Unemployed Persons (*Caged*),³ from 2012 to June 2014. This made it possible to identify the number of people⁴ registered in the Unified Registry and the *Bolsa Família* beneficiaries who had completed courses and entered the formal labor market. The number of enrollments in *Pronatec* reached 2.5 million, of which 996,700 succeeded in gaining access to work (525,000 enrolled in the Unified Registry, and 106,400 *Bolsa Família* beneficiaries).

Professional training for specific audiences

In addition to the *Pronatec*, the “Brazil Without Extreme Poverty” Plan includes other professional training initiatives, such as the Projeto ViraVida (Change Life Project), a partnership with the National Council of Social Service for Industry (*Sesi*), which caters for young people in a situation of sexual abuse or exploitation.

Also noteworthy is the partnership forged between the City of São Paulo, *Senai* and the National Street People’s Movement, which resulted in places being offered in classes run exclusively for this group.

2 *Pronatec* electronic data management system run by the Ministry of Education.

3 *Rais* and *Caged* are registries managed by the Ministry of Labor and Employment. Private and public companies and government agencies must enter data on their employees annually in the *Rais*, while private companies are obliged to fill out the *Caged* on a monthly basis, recording data on staff hirings and dismissals.

4 The number of the register is higher than in the enrolled persons, since people can enrol for up to three courses (non-concurrent) per year.

Another important initiative is the Programa Mulheres Mil, aimed at poor women, particularly those benefiting from the *Bolsa Família* who were unable to attend the PRONATEC courses by reason of their low education ability and/or living in situations of vulnerability and violence.

Acessuas Trabalho

In order to provide support to the municipalities, the “Brazil Without Extreme Poverty” Plan created the National Program for the Promotion of Access to the World of Work (*Acessuas Trabalho*), under which the federal government provides funds for municipalities to help them integrate social assistance beneficiaries in the labor market. This program promotes the mobilization, follow-up and performance monitoring of students, with a view to referring them to job placement services and introducing them to entrepreneurship, the solidarity economy and other employment policies existing in the municipality. By 2014, 1379 municipalities had joined the program.

How does the *Acessuas Trabalho* work ?

A committee comprising representatives of social assistance managers at the federal, state and municipal levels defines, on an annual basis, the criteria and deadlines for municipalities to join the *Acessuas Trabalho* program. In 2012 the selected criteria were: to be skilled in the basic or advanced management of the Unified Social Assistance System (*Suas*), to have *Cras* in operation, and to have joined *Pronatec*. If the local municipal authority meets all these criteria it is eligible to adhere to the program via the MDS webpage (requiring the previous approval of the municipal social assistance council).

The municipalities that join the *Acessuas Trabalho* program must comply with the actions and targets established annually in the resolution of the National Social Assistance Council (CNAS) and monitored by MDS. The municipal social services departments are responsible for mobilizing and referring people to *Pronatec* and other productive inclusion initiatives, and for monitoring course attendance.

JOB PLACEMENT

People graduating from the training courses can approach the job placement services run by the National Employment System (*Sine*) of the Ministry of Labor and Employment (MTE). In order to make best use of the linkage between professional training courses and job placement services, and increase the opportunities for the target audience of the “Brazil Without Extreme Poverty” Plan to enter the labor market, the MDS and MTE signed a cooperation agreement primarily aimed at the Northeast region and the state of Minas Gerais⁵. As a result, job placement services were made available to 2.2 million workers, with 43% of them registered in the Unified Registry, and 22% enrolled in the *Bolsa Família* Program. Among the 270,000 workers formally inserted into the labor market, 46% were registered in the Unified Registry, and 25% were already enrolled in the *Bolsa Família* Program.

⁵ The Northeast region has 53% of extremely poor people aged over 18 in urban areas, and accounts for 40% of enrollments in the *Pronatec* component of the “Brazil Without Extreme Poverty” Plan. From 2010 to 2011, this region saw the second highest increase of formal employment in Brazil - 5.87%, compared with the national average of 5.09%.

It is also worth highlighting the partnership between the “Brazil Without Extreme Poverty” Plan and private companies. The numbers and types of courses to be offered are defined locally in accordance with private sector demand. On the other hand, companies undertake to relax certain requirements in the selection process, particularly those related to the professional experience and education levels of job applicants.

MICRO-ENTREPRENEURSHIP, MICROCREDIT AND THE SOLIDARITY ECONOMY

Micro-entrepreneurship and solidarity economy initiatives have become promising employment and income alternatives, and for this reason feature in the “Brazil Without Extreme Poverty” Plan. Self-employed low income people can obtain access to free formal registration of their status as individual micro-entrepreneurs (MEI) using a simplified procedure and with lower taxes. In early 2010 there were just over 5.2 million MEIs, with more than 1.3 million of them registered in the Unified Registry, and 525,000 *Bolsa Família* beneficiaries.

Micro-entrepreneurs have free-of-charge access to the technical and managerial assistance services of the Brazilian Micro and Small Business Support Service (*Sebrae*). These services, although specifically aimed at micro- and small entrepreneurs, were initially not in a position to cater for lower income sectors. However, *Sebrae* and the MDS eventually signed a cooperation agreement, under the “Brazil Without Extreme Poverty” Plan, aimed at adapting the technical and managerial assistance methodologies to the needs of low-income applicants.

Guided productive micro-credit also plays an important role in building and expanding businesses by lowering the interest rates applied to them⁶. Of the 10.3 million micro-credit operations carried out by the *Programa Crescer* between September 2011 and August 2014, 5.6 million (54%) involved people registered in the Unified Registry, of which 3.6 million (35%) were enrolled in the *Bolsa Família* Program

Crediamigo

Informal micro-entrepreneurs generally lack the in rem guarantees or proof of income to serve as collateral in credit operations. In the *Crediamigo* program, the Bank of Northeastern Brazil (BNB) employs the solidarity surety (*‘aval solidario’*) approach, involving groups of between three and 30 self-employed entrepreneurs providing guarantees among themselves and being responsible for all the credit obtained. A further distinguishing feature of this program is the guidance provided by credit advisers who give personal attention to the entrepreneur and guidance on basic management requirements, etc.

With the availability of micro-credit, a large number of micro-entrepreneurs (tailors, popcorn makers, market traders, barbers, etc) no longer need to resort to informal sources of credit, and can cover their working capital and investment requirements with short-term bank loans of between R\$100 and R\$2000. Around 90% of the *Crediamigo* credit operations finance commercial activities, with 9% in the services sector and 1% in the industrial sector. The program is run in around 2000 different municipalities. In addition to *Crediamigo*, the BNB also runs a program for rural entrepreneurs called *Agroamigo*.

For workers in cooperatives, the “Brazil Without Extreme Poverty” Plan also provides support to organization, production, marketing, and access to credit via the Solidarity Economy National Secretariat (*Senaes/MTE*), which supports 11.200 solidarity economy enterprises⁷ directly benefiting over 240,000 people.

CHALLENGES

Access to quality professional training and job placement services, as well as boosting entrepreneurship, the solidarity economy and easier credit facilities, reduces the inequalities between those anxious to join the labor market.

The urban productive inclusion strategy in the ““Brazil Without Extreme Poverty”” Plan has led to high quality professional training courses being adapted and targeted at the lower income sectors. It has also generated increased coverage and capillarity of such courses throughout the country. It was only possible for this target audience to be reached due to the efforts of the social assistance network, and with the encouragement given by the “Brazil Without Extreme Poverty” Plan to the states and municipalities to share this task.

The work involved in identifying opportunities to match the needs of the business sector with the courses offered by *Pronatec* needs to be scaled up to ensure that course graduates are duly absorbed into the formal labor market. Further steps are needed to enhance coordination between local managers, the business sector and workers.

A major challenge still facing the three spheres of government is to ensure that the training courses on offer are increasingly taken up by the poorest and least-educated younger people in the most vulnerable parts of the country.

This text is based on the following article:

COSTA, Patricia Vieira da; MÜLLER, Luiz Herberto; CARDOSO, Margarida Munguba; SOUSA, Marcelo de; LIMA, Luciano Maduro Alves de. A estratégia de inclusão produtiva urbana no Plano Brasil sem Miséria. In: CAMPELLO, Tereza; FALCON, James; COSTA, Patricia Vieira da (Eds.). **Brasil sem miséria**. Brasília: MDS, 2014.