

From Bolsa Família to Brasil Sem Miséria: a Summary of Brazil's Recent Journey towards Overcoming Extreme Poverty

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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 Single 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 Single 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 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 Single 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 Single 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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