

## The evolution of Brazilian Social Policies

MILAN, 2015



Population (est. 2014): 202 million people

Area: 8.5 million km<sup>2</sup>

**Federal Republic: 2**6 states, 5,575 municipalities and the Federal District

**GDP** (2014): US\$ 2.246 trillion

**GDP** *per capita* (2014): US\$ PPP 15,000

**GDP Composition:** 

agriculture: 5.5%

industry: 26.4%

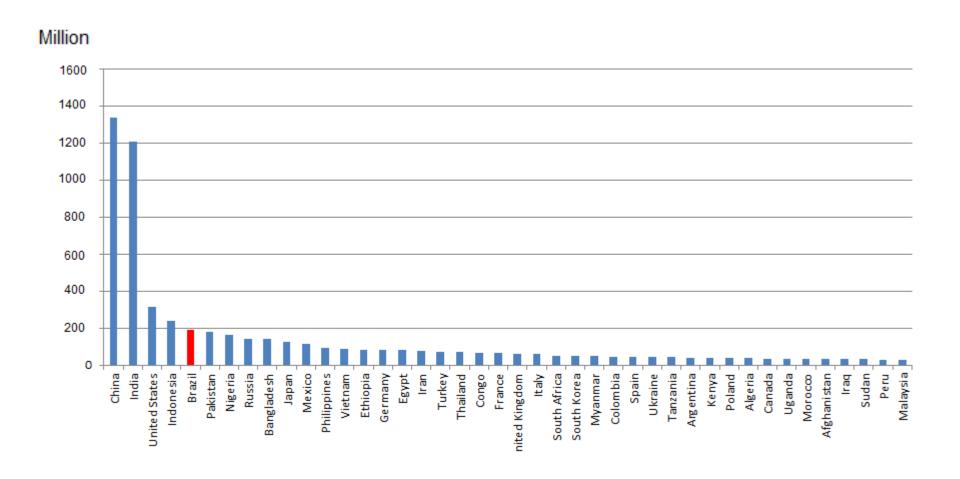
services: 68.1%

HDI: 0.744 (2013) but municipalities range from

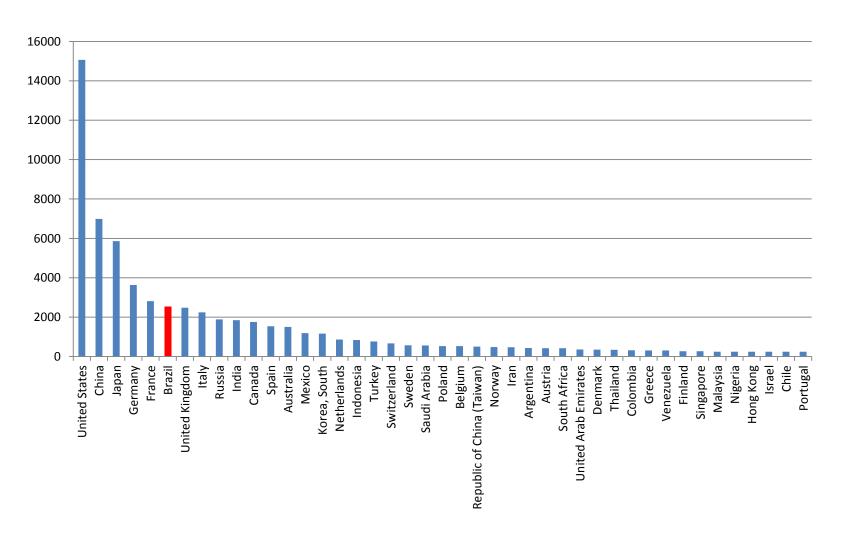
0.8 to 0.4

Gini Index (2012): 0.500

## **Population**



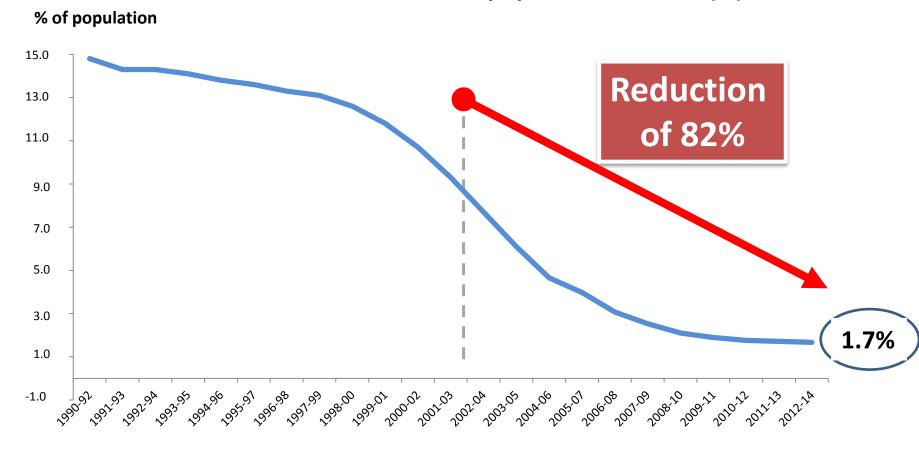
## **GDP**



Elaborated by World Bank with data from national accounts from July, 2011.

# Brazil had the 3rd largest reduction in the % of undernourished people in the world from 2002 to 2014

#### **Evolution of undernourished population in Brazil (%)**

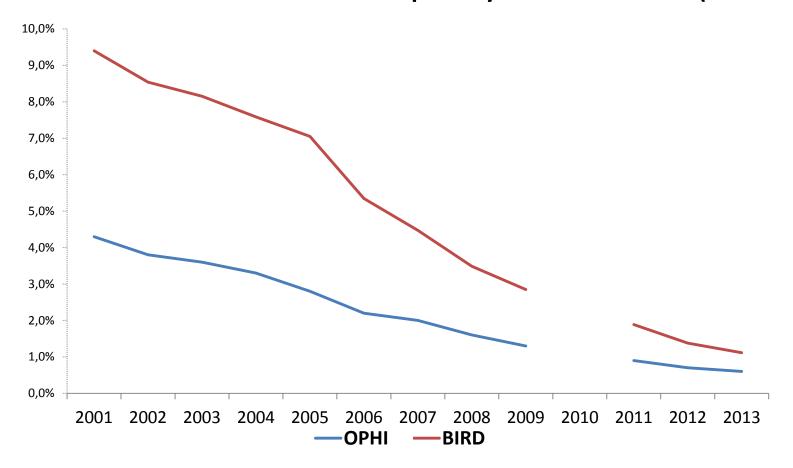


#### Triennium

Source: FAO, 2014. Elaborated by the Ministry of Social Development and Fight against Hunger (SAGI/MDS).

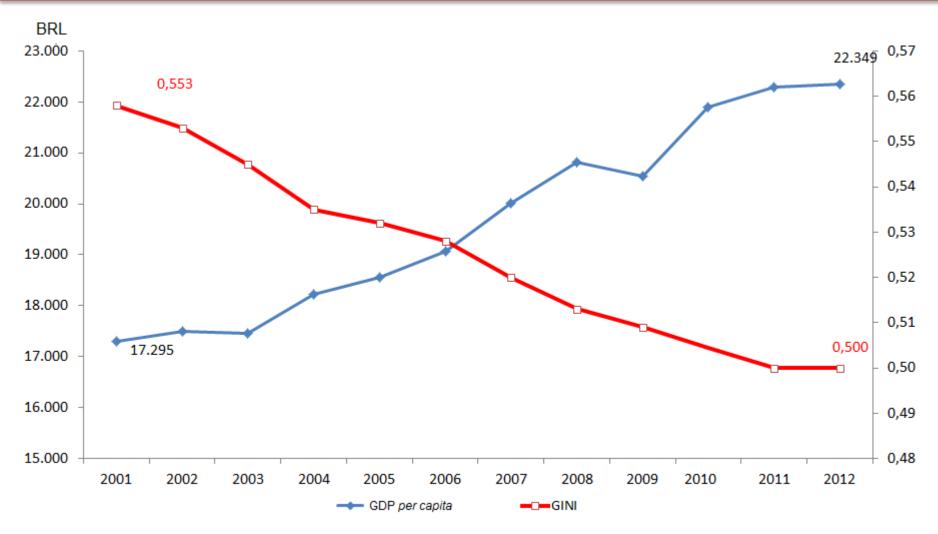
# Less poverty, more equity: multidimensional measures

#### Recent evolution of multidimensional poverty indexes for Brasil (2001-2013)



Source: World Bank and Oxford Poverty and Human Development Initiative (OPHI). Elaborated by the Ministry of Social Development and Fight against Hunger (SAGI/MDS).

## Real GDP per capita\* and Gini index\*\*



<sup>(\*)</sup> Values updated by the GDP deflator (2012). (\*\*) Monthly household income.

(\*\*\*) The National Household Sample Research (PNAD) was not collected in 2010 due to the completion of the Census. Source: NSCN/IBGE e PNAD/IBGE.

## **Evolution of the Brazilian Social Protection System**

#### **Brazil 1988 Federal Constitution**

#### **Fundamental goal of the Republic**

"To eradicate poverty and marginalization and reduce social and regional inequalities"

#### **Social Rights**

"Health, education, labor, housing, recreation, safety, social security, protection of motherhood and childhood, assistance to the destitute"

#### **Guiding principles**

Universality of coverage and service; uniformity and equivalence of benefits and services to both urban and rural populations; equity in terms of sharing the costs; diverse funding base; decentralization of management; social participation

## **Evolution of the Brazilian Social Protection System**

#### Implementation backdrop

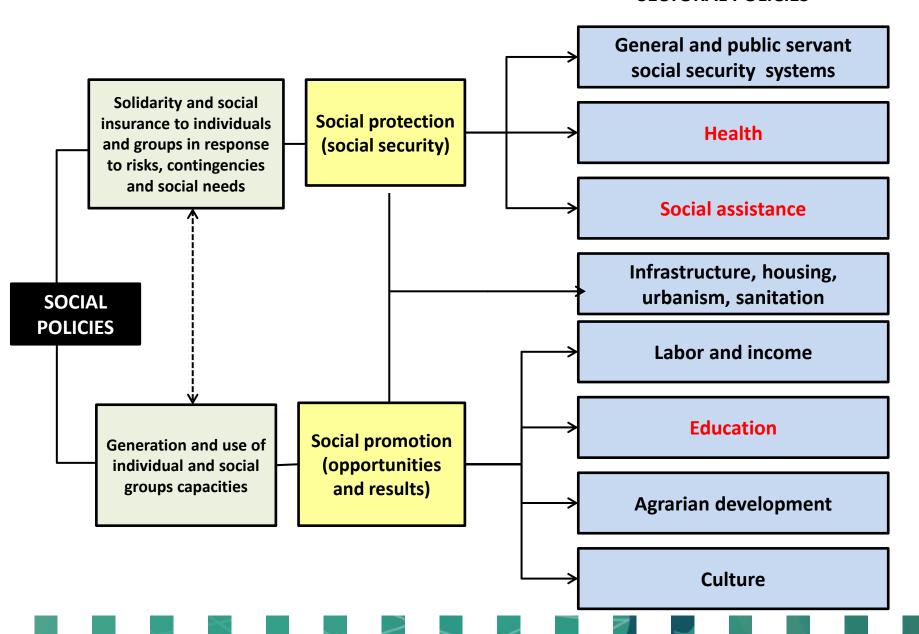
- Economic crisis: reduced resources and increased demands
- Clientelism and corporatism
- Giant systems: Educational System, Unified Health System (SUS), Unified Social Assistance System (SUAS)
- Fragility of many municipalities
- Stability and social advances (Real Plan)
- Economic liberalism and the notion of "natural incorporation of the poorest"
- Human Rights Policy: civil, political, economic, social and cultural rights

## **Evolution of the Brazilian Social Protection System**

#### Lula's Government (2003-2010)

- Repositioning the social agenda as a key element in the development strategy
- Zero Hunger Project articulating policies and actions aimed at overcoming hunger
- Support for family farming
- Bolsa Familia
- National policy to increase the value of the minimum wage
- Creation of formal jobs

#### **SECTORAL POLICIES**

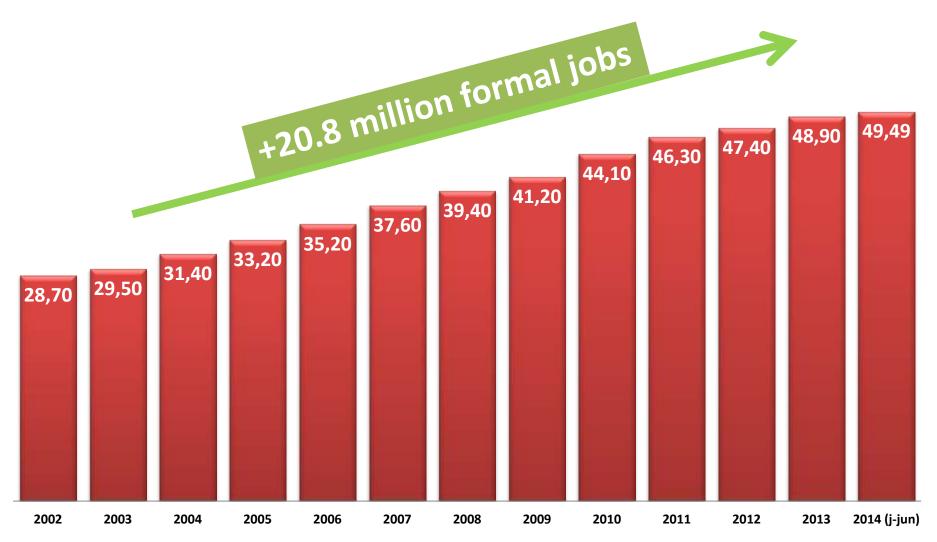


## Minimum wage evolution (BRL and % variation)



Source: Brazilian Central Bank. Note: Elaborated by the Ministry of Finance. Data deflated by the INPC inflation index.

## Evolution of formal jobs (millions)



Source: Ministry of Labor (RAIS). Note: smoothed on each period



## Leadership and Government priority

#### **Overcoming poverty**

Fundamental goal of the Republic

"Eradicate poverty and marginalization and reduce social and regional inequalities"

- Commitment legitimized by the result of the elections
- Government commitment (inaugural speech)

"The most determined struggle of my government will be to eradicate extreme poverty and create opportunities for all"

President Dilma Rouseff, 2011

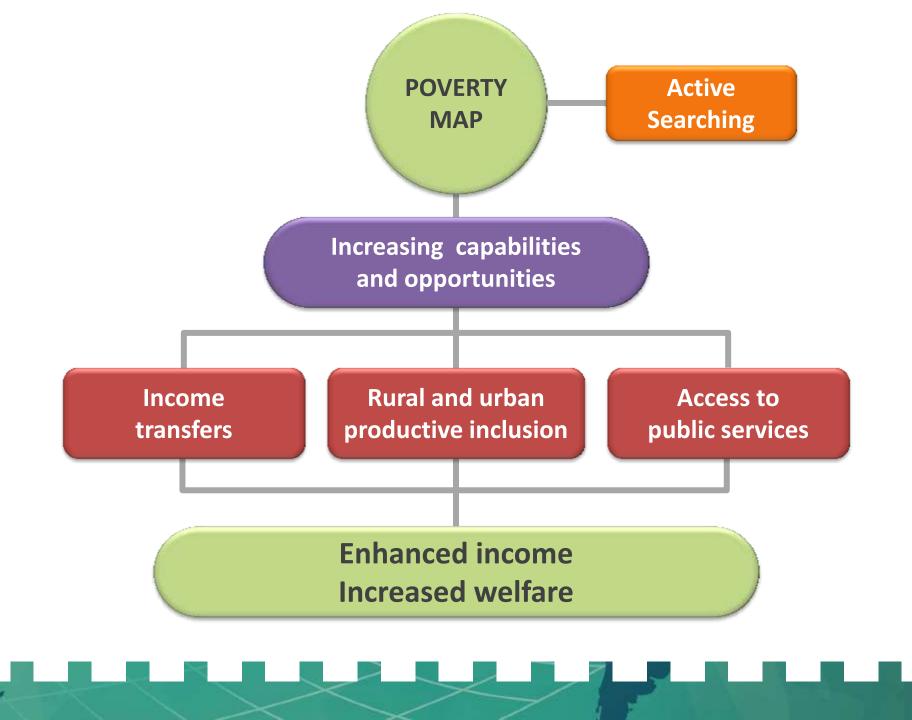
## Clear targets and goals

The definition of an extreme poverty line under the Brazil without Poverty Plan took into consideration:

- The United Nation's Millennium Development Goals line of \$ 1.25 PPP per day
- The reference of extreme poverty used by Bolsa Familia
- National and international studies that address this issue
- Regional lines of extreme poverty calculated using the Household Budget Survey (POF-IBGE)

#### Per capita household income of BRL 77 per month

The one-dimensional approach (income) loses little compared to a multidimensional one, but gains a lot in terms of transparency and simplicity



#### Coordination

Poverty is a multidimensional phenomenon

Therefore, the Brazil without Extreme Poverty Plan includes about 100 actions performed by 22 ministries (which poses a huge challenge in terms of coordination)

The Plan is coordinated by a sector ministry, the Ministry of Social Development and Fight against Hunger (MDS)

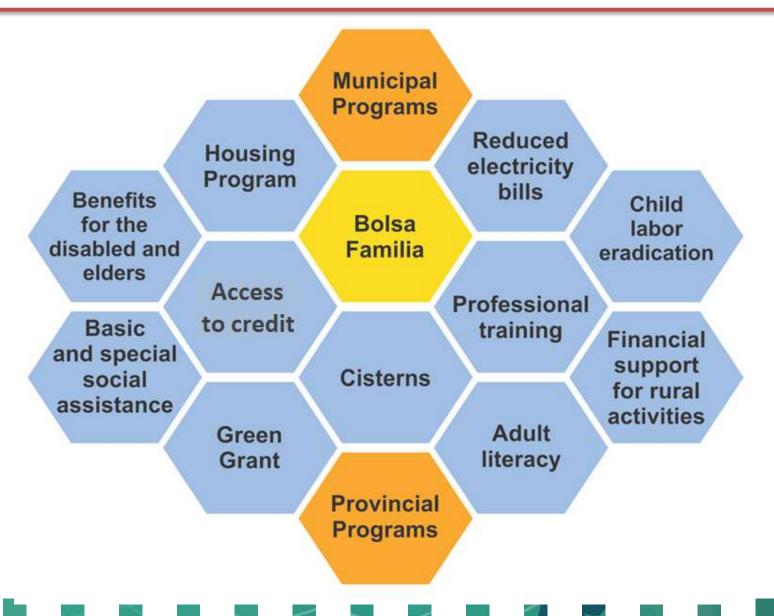
The Extraordinary Secretariat for Overcoming Extreme Poverty (Sesep) is in charge of the coordination

### Characteristics of the actions

#### **Brazil without Extreme Poverty Plan actions have:**

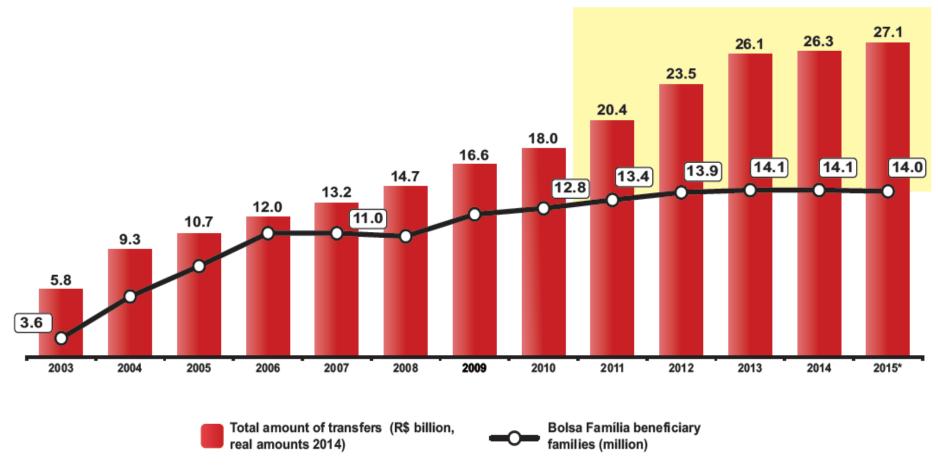
- a focus on the extremely poor public
- large scale, in order to achieve a significant proportion of the population
- a national perspective (even with regional highlights), so as to reach the extreme poor all over the country
- a structure that allows fast execution (less bureaucratic) in order to ensure the required timing
- a powerful management tool: the Single Registry

## Single Registry for Social Programs



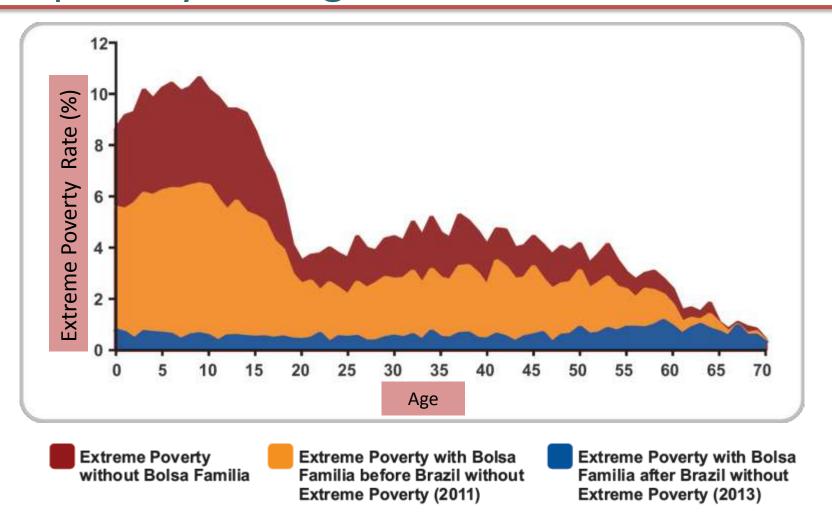
#### **Bolsa Familia**

# The total amount of Bolsa Familia transfers raised 50% in real terms between 2010 and 2015



Source: Ministry of Social Development and Fight against Hunger

# Extreme poverty declined in all age groups, especially among children and adolescents



Source: Institute of Applied Economic Research (IPEA/DISOC), based on the National Household Sample Research (PNAD/IBGE 2011).

## **Active Searching**

Poor people no longer have to come to the State for help.

The State is going where poverty is.





Over 1.2 million new extremely poor families found over the past 4 years and included in the Single Registry are now receiving Bolsa Familia benefits.

Source: Single Registry for Social Programs (Ministry of Social Development and Fight against Hunger).

### **Urban Productive Inclusion**



#### **Services**



Professional Training

Professional Orientation

Labor Intermediation

**Formal employment** 

Microentrepreneur

Popular and Solidarity Economy

Microcredit

Entrepreneurship



**Extreme poverty** 

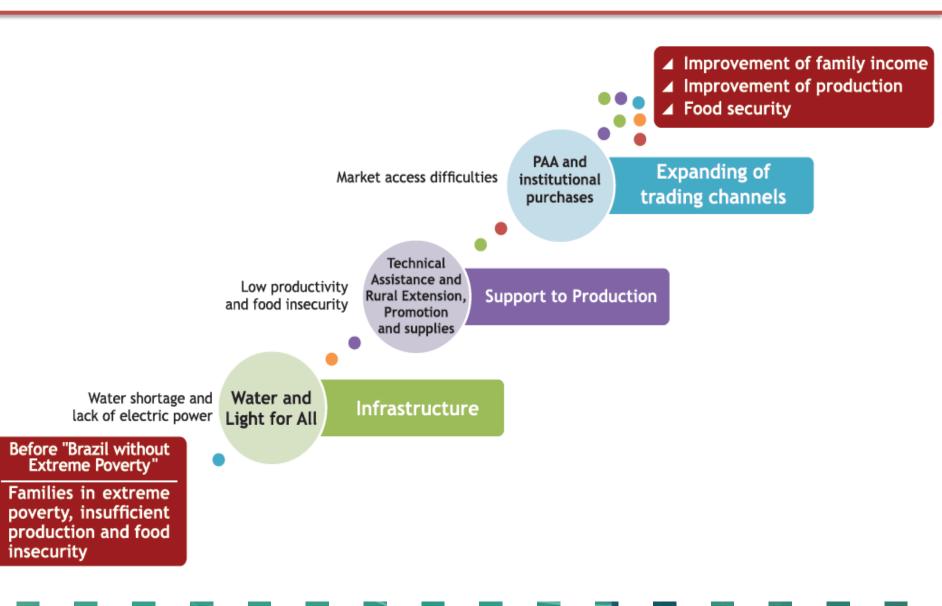








#### Rural Productive Inclusion



#### Acess to Services

- Nurseries
- Full-time education
- School meals
- Basic Health Units
- Mais Medicos (program aimed at expanding the number of physicians in underserved regions of the country)
- Unified Social Assistance System
- Minha Casa Minha Vida (housing program)
- Luz para Todos (electricity program)

#### Results

Active Searching: over 1.2 million new extremely poor families were included in the Single Registry and receiving Bolsa Familia

Bolsa Familia: over 14 million people receiving Bolsa Familia and 22 million people overcame extreme poverty

**Children education:** over **700 thousands** of Bolsa Familia's children are enrolled in children education

Professional training courses: 578 types of free courses offered to low income population and over 1.7 million enrollments

Source: Ministry of Social Development and Fight against Hunger, January 2014.

#### Results

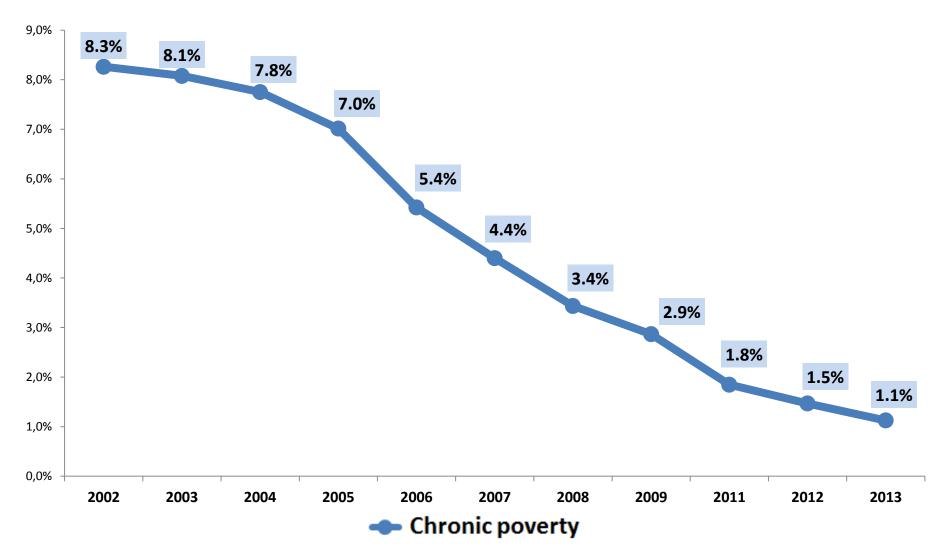
Rural Inclusion: Technical assistance for over 350 thousand families and almost 150 thousand families with projects supported by technical assistance are already receiving fostering funds to deploy them

Water for All Program: almost 800 thousands cisterns were delivered to low income families

**Bolsa Verde (green grant):** 72.1 thousand families of extractivists, land reform settlers, forest pickers and riverside populations receive cash transfers to continue producing and preserving the environment

Source: Ministry of Social Development and Fight against Hunger, January 2014.

## **Evolution of Chronic Multidimensional Poverty**



Source: National Household Sample Research (PNAD-IBGE). Elaborated by the Ministry of Social Development and Fight against Hunger and the World Bank.

## Keys to success

#### Leadership and government priority

"My government's highest determination will be to eradicate extreme poverty and create opportunities for all"

#### Simple design

- Family registration is simplified and executed by local authorities; income is self-declared
- Cash transfers are made through debit card
- Priority is given to women, the preferred account holders

### Large scale and easy replication

We needed programs that could easily be reproduced across a country as large and diverse as Brazil

#### Clear targets and goals

The importance of a national extreme poverty line

#### **Monitoring and evaluation**

### For more information

Ministry of Social Development and Fight against Hunger: <a href="https://www.mds.gov.br">www.mds.gov.br</a>

Brazil without Extreme Poverty Plan:

www.brasilsemmiseria.gov.br

World without Poverty:

www.wwp.org



## **THANK YOU!**