



Social Protection in Brazil: Recent Achievements

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Brazil

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Social Protection in Brazil

- Began in the 1930's linked to Formal Labor.
- Through the decades progressively incorporation of new labor segments
- **Constitution of 1988:** launches the model of Social Security, based on citizenship rights.
- Three components:
 - Social Insurance (Contributive pensions)
 - Health (Unified National Health System)
 - Social Assistance

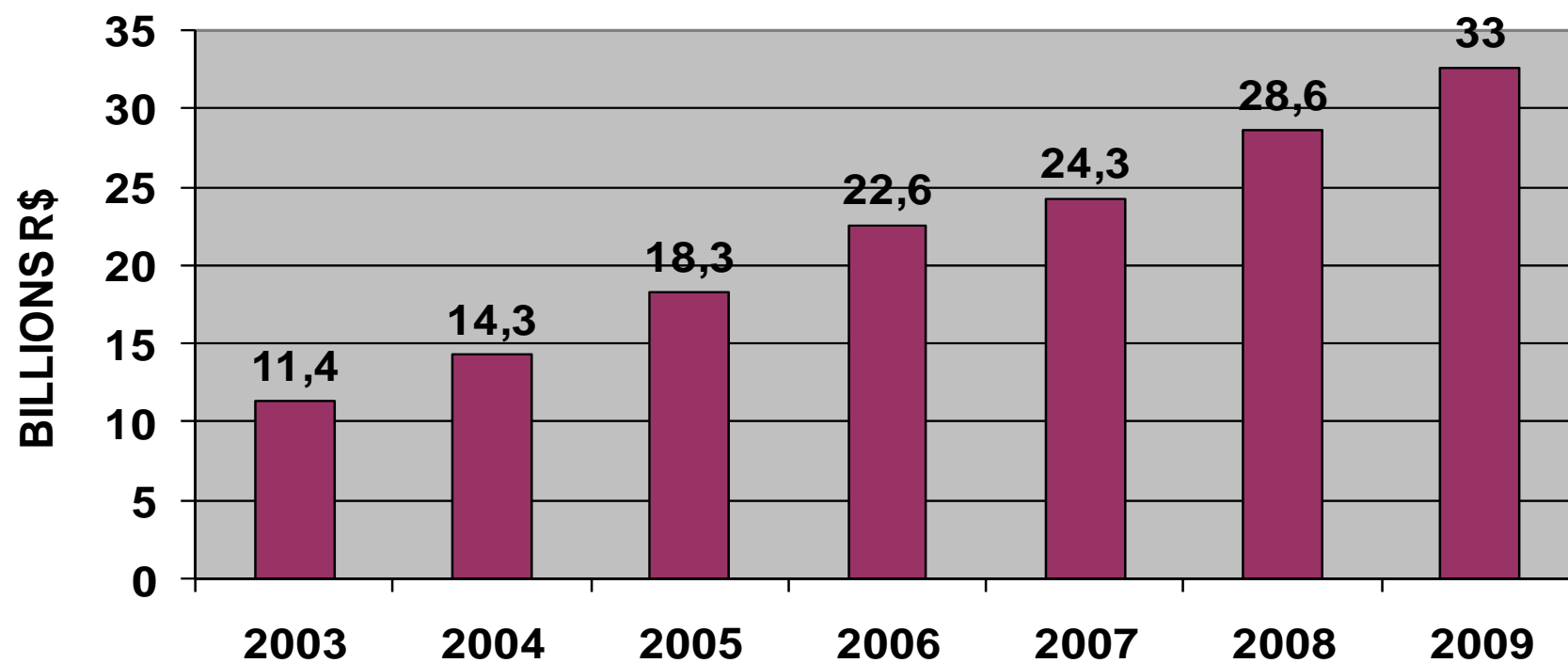


Ministry of Social Development and Fight against Hunger (MDS)

- Created in January 2004 to integrate non-contributive social protection policies for the poor/vulnerable population:
 - Social Assistance,
 - Food and Nutritional Security
 - Conditioned Cash Transfers
 - Promotion of Productive Inclusion
- **Public policy systems:**
 - Unified Social Assistance System (SUAS)
 - National System on Food and Nutritional Security (SISAN)



MDS Budget 2003(*) - 2009



(*) Services and benefits previously run by other governmental branches



Unified System of Social Assistance – SUAS

- Consolidates Social Assistance as State Policy
- Main programs and services:
 - Integral Attention to Families – PAIF
 - Socioeducational Services for Adolescents – ProJovem Adolescente
 - Child Labor Eradication – PETI
 - Combat of Child and Adolescent Sexual Exploitation
 - Benefit for the Elderly and Disabled in Poverty – BPC



Benefit for the Elderly and Disabled in Poverty - BPC

- Introduced by the Federal Constitution of 1988
- Non-contributive
- It grants monthly minimum wage benefits (US \$ 265) for the elderly (over 65) and persons with disabilities that are unable to work that belong to families with a monthly per capita income lower than $\frac{1}{4}$ of the minimum wage (US \$ 66)
- 1,8 million persons with disabilities and 1,6 million elderly persons receives this benefit
- The budget for 2009 is U\$ 10,5 billion (0,6% of GDP)



National System on Food and Nutritional Security (SISAN)

- Instituted in 2006 by Federal Law.
- It encompasses intersectorial policies for the promotion of the Human Right to Adequate Food and Nutrition.
- It includes, along other actions:
 - Local equipment to facilitate access to food and water (popular restaurants, food banks, community kitchens, cisterns);
 - Policies for food supply, land reform, school meals, nutritional education, etc;
 - Policies for the strengthening of family agriculture (financing, technical assistance and guaranteed Government purchase).



Bolsa Familia Program

- Conditioned cash transfer program, launched in October 2003 and instituted by Federal Law;
- Strategic axis for the integration of policies and actions that are part of the Brazilian Social Protection and Promotion Network;
- Benefits families with per capita income below US\$ 80
- 12,4 million poor families (almost 50 million people) benefited in all 5.564 Brazilian municipalities;
- Budget for 2009: US\$ 6.9 billion (0.4% of the GDP);
- Low operating costs: 5% of the program's budget.



Bolsa Família - Cash Benefit

- Amount per family: varies from US\$ 13.00 to US\$ 114, depending on its size and poverty level.
- Average amount: US\$ 54 per family

Three Components:

- (a) **basic benefit** (US\$ 38): paid to families with monthly per capita income of up to US\$ 40 regardless of the number of children, adolescents or young adults
- (b) **variable benefit** (US\$ 13): paid to families with monthly per capita income of up to US\$ 80 per children or adolescents under 15 years old (maximum of 3 benefits per family)
- (c) **variable youth benefit**: paid to families with an income of up to US\$ 80, where there are adolescents aged 16 and 17 years old and attending school (maximum of 2 benefits per family)



Conditionalities

- Responsibility shared among the families and the State;
- Reinforcement of Rights (education, health, social assistance);
- Non-compliance with conditionalities is interpreted by federal and local authorities as a sign that a family may be at risk or in need of additional social assistance services;
- The consequences for non-compliance with conditionalities are gradual, beginning with a “warning” followed by blockage, suspension, and finally cancellation of benefits.



Bolsa Família - Results

- Immediate and significant effects upon the living conditions of the poor population.
 - Promotion of food and nutritional security
 - Reduction of poverty and inequality
 - Reduction of the risk of child labor
 - Reduction of child malnutrition
 - Dynamization of local economies
 - Access to basic consumption goods that enhance life quality and self-esteem
 - Studies show that the program does not prevent beneficiaries from work
- The complete range of results should appear in the long term: improved educational and health status, contributing to break the intergeneration reproduction of poverty



Bolsa Familia as an integrator of opportunities for inclusion

The social and economic data gathered by the Unified Registry - CADÚNICO - enables the Government to identify the families and their characteristics and, thus, to offer public policies fitted to their profile.

Some examples:

- Literacy courses for adults
- Low-income housing
- Subsidized electric energy
- Financial/banking inclusion
- Actions directed to income generation, professional qualification and insertion in the labor market (Civil Construction, Tourism).



Economic Relevance of Social Transfers

- In 2009, the BPC and Bolsa Família cash transfers to poor families will comprise US\$ 17 billion - around 1% of GDP.
- **Redistributive effect:** the smaller the per capita income of a given region, the bigger the importance of transfers for the local economy.
- In the Northeast (poorest region of Brazil), they represent 3% of regional GDP.
- As these social transfers raise the consumption capacity of families, they have an immediate multiplying effect on the economy.



Poverty and Inequality Reduction Wider Results

- 19,4 million Brazilians overcame extreme poverty since 2003 (CPS/FGV).
- Brazil achieved Target 1 of MDG ten years in advance and has set higher standards: reduce extreme poverty to ¼ and eradicate hunger until 2015.
- **Decrease of Inequality:** from 2001 to 2008, the income of the bottom 10% grew six times faster than the top 10% (Ipea).



Social Protection and Response to Global Economic Crisis

- **Two main functions of Social Policies** : Guaranteeing social rights and fostering economic performance.
- Social policies were increased by the Brazilian Government during the Crisis:
 - Bolsa Família: Benefits raise and coverage amplified
 - Unemployment insurance extended
 - Maintenance of minimum wage raising policy.
- Sustainable economic growth through social inclusion and redistribution of wealth: increase of domestic market.
- The existence of a wide network of social protection and promotion played an important role in the overcoming of the Crisis in Brazil
- Opposed to the other Crisis, poverty and inequality continued dropping in the six main Metropolitan Regions.



Social Protection Floor	Brazilian benefits/services
Basic health care	National Health System - SUS
Income Benefit for the Elderly and disabled	Non-contributive pensions to poor elderly and disabled - BPC
Child benefits	Bolsa Família Free school meals – PNAE
Income security combined with employment guarantees	Bolsa Família Strengthening contributive social protection: Incentives to the formalization on labor market; Simplified Plan for the self-employed and small entrepreneurs Special pension rules for rural workers. Unemployment benefits



Challenges

Despite recent advances in Brazil

- the number of poverty stricken people is still high (around 30 million).
- inequality rates continue among the highest in the world (Gini 0,531 in 2008).
- persistence of illiteracy and unsatisfactory health indicators, (mainly in the poorest regions such as Northeast).

The combination of economic growth, income distribution and social inclusion should be maintained for several years in order to achieve desirable standards of social development



Thank you!

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