PAN-AFRICAN CONFERENCE ON INEQUALITIES IN THE CONTEXT OF STRUCTURAL TRANSFORMATION

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in partnership with:
SOCIAL PROTECTION IN BRAZIL: RECENT EXPERIENCE

TATIANA BRITTO
Legislative Advisory Board
Federal Senate | Brazil
Country profile

- **Population:** 190 million
- **GDP:** 2.3 trillion USD ppp (7th)
- **Income per capita:** +12,000 USD ppp
- **HDI:** 0.727
- **Gini coefficient:** 0.53
- **Educational attainment:** 7.6 years
  - **Gender equity** (7.4 male; 7.7 female)
  - **Racial gap** (8.5 white; 6.7 black/mestizo)
  - **Regional disparities** (8.1 urban; 4.3 rural)
Poverty and inequality trends

**2003/2011**

**POVERTY:**
From 15.9% to 6.3%

**EXTREME POVERTY:**
From 8% to 3.4%

**GINI COEFFICIENT:**
From 0.583 to 0.531

**INCOME GROWTH**
Richest 10%: 16.6%
Poorest 10%: 91.2%

Steady and significant
Poverty and inequality trends
What happened?

Inclusive public policies (+ growth)

Social protection → income guarantee

MINIMUM WAGE (+ pensions)

OLD AGE/DISABLED non contributive pension

COMPREHENSIVE CASH TRANSFER
Inclusive public policies - income

- **Minimum wage**: 80% real increase since 2003
- **Old age/disabled pensions**: constitutionally ensured since 1988, operationally expanded and consolidated from 1996
- **Flagship conditional cash transfer**: 
  - **FOME ZERO (ZERO HUNGER)**
  - **BOLSA FAMILIA (FAMILY GRANT)**
  - **BRASIL SEM MISÉRIA (BRAZIL WITHOUT EXTREME POVERTY)**
Bolsa Familia: basic features and results

CCT rationale: short-term (cash) + long-term poverty reduction (human capital)

- **Beneficiaries:** 13.8 million families (around 25% of pop)

- **Benefits**
  - **Basic** (unconditional) for extreme poor - USD 35
  - **Variable** (conditional) according to family composition for poor and extreme poor - up to USD 125
  - NEW: **Minimum income guarantee** - extreme poverty line leverage (2012)

- **Conditionalities as co-responsibilities/rights:** education + health
Bolsa Familia: basic features and results

- **Gender bias**: 93% of recipients are female
- **Children bias**: 40% of extreme poor are under 14
- Intersectoral approach and federative arrangement
- Good targeting and overall positive results (individual, local and aggregate level)
- Strong technical coordination and capacity-building
- **Low cost**: 0.4% of GDP
Bolsa Familia: origins and context

- **Democratic transition** and 1988 Constitution

- **Early 1990s**: debates on minimum income + attacking structural causes of poverty

- **Mid-1990s**: economic stabilization and municipal experiences with CCTs

- **Early 2000 (Cardoso)**: federal CCTs (sectoral)

- **2003 (Lula)**: increased emphasis in social policies, without significant changes in macroeconomic policies

- **2004**: citizen's income law
Bolsa Familia: evolution

- **2005-2006: great coverage expansion**
  - strongly associated with Lula’s reelection
  - disputed “paternity” and conceptions
  - controversial media highlight

- **2007-2010: program consolidation**
  - several bills under discussion in Congress
  - presidential candidates proposing expansion

- **2011: Brazil without Extreme Poverty (Dilma administration)**
  - multipartisan support

- **2014: presidential elections - new proposed expansions**
Bolsa Familia: evolution
What made it possible - some ideas

- Constitutional emphasis on a “historical debt to the poor”
- General consensus on the importance of investing in human capital
- On **Bolsa Família**
  - appeal of CCTs
  - decentralized approach
  - political focus and priority
  - continuity
Pending issues and challenges

✧ On Bolsa Família
  ✧ replicability of impacts?
  ✧ universalistic orientation?
  ✧ integration with effective social promotion?
  ✧ what is the limit for transfers?
Pending issues and challenges

- New demands, higher expectations
- Challenging economic environment
- Public expenditures on controversial events
- Comprehensive tax reform
- Achievements on social inclusion acknowledged, but how to go further?
- Presidential campaign: who can lead the way further, without losing sight of what has been accomplished?
Thank you!