

Brazil without Extreme Poverty: New Perspectives for Brazilian Social Protection

by Tiago Falcão, Special Secretary for Overcoming Extreme Poverty, MDS and
Patrícia Vieira da Costa, Director of Institutional Relations
for the Brazil Sem Miséria plan, MDS

Reducing poverty has been a signature of the Brazilian government for over a decade. The *Bolsa Família* (BF) conditional cash transfer programme, launched in 2003, enhanced the country's existing social protection system, adding a new focus on poverty—especially poor children. Its success spurred the development of the Single Registry for Social Programmes, which made the characteristics and needs of the poorest populations in the country visible to the State for the first time, thus allowing federal, state and municipal governments to provide them with services.

Innovative and effective social investments, along with increases in employment and in the minimum wage, have led to an unprecedented reduction in poverty and inequality over the last decade. Even so, by 2011 there were still millions of Brazilians living in extreme poverty. Overcoming that situation was the main goal of the Brazil without Extreme Poverty (*Brasil Sem Miséria*, BSM) plan, led by the Ministry of Social Development and Fight against Hunger (MDS), conceived to improve existing social programmes and create new ones in an orchestrated, multidimensional fashion that went beyond income to tackle the many manifestations of poverty and reach various groups in different regions and contexts.

The plan is a threefold strategy comprising one pillar dedicated to income transfers, a second to improving the perspectives, opportunities and integration of adults into the labour market (both in urban and rural areas), and a third to bringing better public services¹ to those who need them the most. Since the plan's first period of implementation was short (2011–2014), it was necessary to devise large-scale goals—most of which were met or surpassed before the 2014 deadline—reflecting the success of an articulated strategy combining the efforts of federal, state and municipal governments, with support from the private sector, non-governmental organisations and academia.

The active searching strategy allowed the State to identify and include 1.4 million extremely poor families in the Single Registry and immediately enrol them in BF. BSM improved the design of BF's benefits to ensure that the per capita income of families would surpass a threshold of BRL 77.² The value of the cash transfer is now determined by the poverty gap: if the sum of a family's declared income and the benefits they already receive does not reach the threshold, the family receives a special benefit of the amount needed to bridge the gap; there are currently 22 million beneficiary families. This change has made BF more pro-poor, since the additional resources are distributed to the poorest of poor households, marking the end of extreme poverty—in terms of income—for BF beneficiaries.

In terms of productive inclusion, over 1.75 million people from the Single Registry—mostly women—enrolled in professional training courses; almost half a million BF beneficiaries went on to formalise their own businesses, undertaking 3.9 million microcredit operations with publicly owned banks.

In rural areas, 830,000 cisterns were built or installed for poor families in the semi-arid region; 300,000 BF families previously not connected to the power grid now have electricity at home; and 346,000 family farmers with very low income from the semi-arid region received technical assistance, tools and financial resources to improve productivity.

Brasil Carinhoso (BC), a new strategy aimed at reducing extreme poverty during early childhood, managed to close the gap between children and other age groups in terms of incidence of extreme (income) poverty. The main health-related goal of this strategy is to prevent and treat the problems that most hinder early childhood development, such as anaemia and asthma.

The construction and renovation of health care units and the *Mais Médicos* programme—which allocates doctors to the poorest areas of the country—are also examples of recent efforts to bring public services to every Brazilian, no matter how poor they are or how far away they live.

In terms of education, BC has helped enrol 702,000 BF beneficiary children (0–48 months old) in free nurseries, narrowing the gap between lower- and upper-income families in terms of access to early childhood services. There are currently 35,700 full-time schools across the country whose majority of students are BF beneficiaries.

Data from the latest national household sample survey show that in 2013 the Brazilian extreme poverty rate in terms of income was close to 3 per cent, under which threshold the World Bank considers extreme poverty to be eradicated (World Bank 2014). Indicators for multidimensional measures of poverty are even better: 2.8 per cent, using the UNDP Human Development Report methodology, and 0.5 per cent, using the World Bank methodology. All of the results mentioned here are described in full by Campello, Falcão and Vieira da Costa (2014), who also highlight the most important characteristics and programmes of the BSM plan.

Having just reached its fourth year, BSM is now entering a new phase of its development, maintaining all the programmes that have produced sound results in reducing poverty and inequalities as well as promoting new, creative initiatives. The active searching strategy—in which the State seeks out those living in poverty, instead of waiting for poor people to seek out programmes and services—has become a more permanent part of the public-service culture, and is definitely here to stay; so too is the focus on early childhood, plus new policies for the youth and specific vulnerable populations, along with even more support and incentives for micro-entrepreneurship. The struggle to overcome prejudice against poor people also continues, as do efforts to help municipalities offer services to poor households. The commitment to generate ever-increasing opportunities and better public services for poor people and the lower middle class of Brazilian society has also been renewed.

References:

Campello, Tereza, Tiago Falcão, and Patrícia Vieira da Costa. 2014. *O Brasil sem Miséria*. Brasília: Ministry of Social Development and Fight against Hunger.

World Bank Group. 2014. *Prosperity for All/Ending Extreme Poverty: A Note for the World Bank Group Spring Meetings 2014*. Washington, DC: World Bank. <<http://goo.gl/dr7tse>> (accessed 7 August 2015).

Notes:

- Especially free health, education and social assistance services provided by the State.
- Around USD 21.88 as of August 10, 2015.