

Statement delivered by the Minister of Social Development and Fight Against Hunger of Brazil, Ms. Tereza Campello, at the World Social Security Forum, held on 13th November, 2013 in Doha, Qatar. The Program Bolsa Familia has been awarded as an Outstanding Achievement in Social Security by the International Association of Social Security (ISSA).

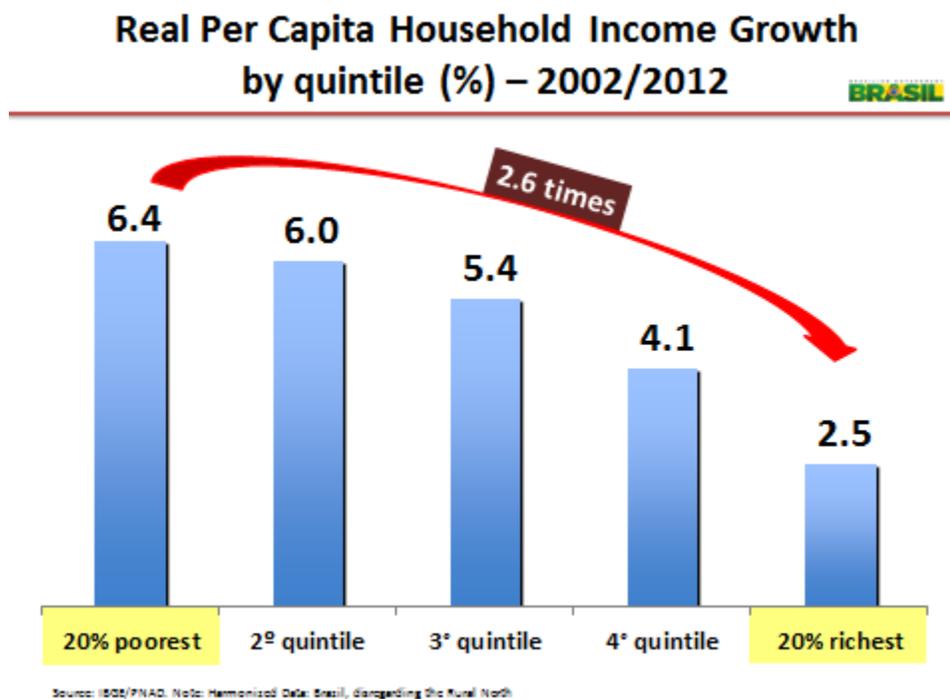
In 2013 the Bolsa Família (Family Grant) Program celebrates 10 years.



The Program is part of a development strategy which focuses on social inclusion. It is a model of development able to ensure a steady course of economic growth with consistent reduction of inequalities.

I will refer to this development model very briefly.

The graph below shows the evolution of per capita household income between 2002 and 2012.



Income has increased in all segments. But the income of the poorest 20% has increased far above the income of the richest 20%.

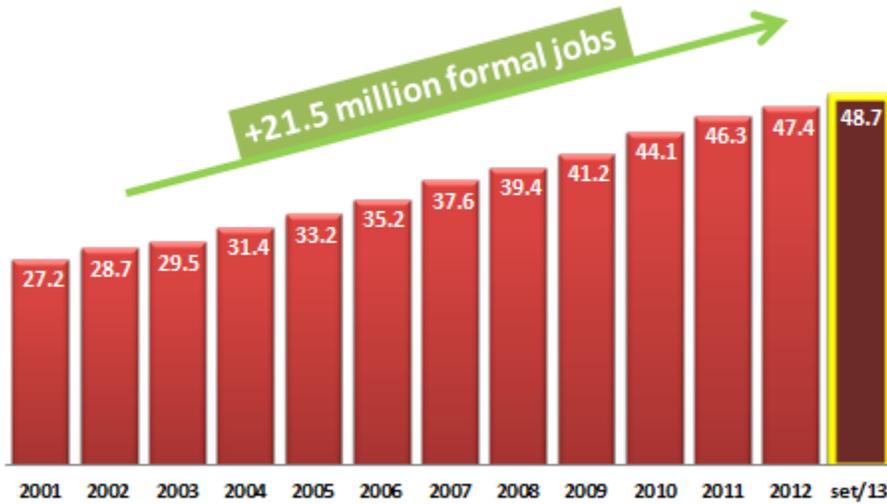
That stems from various decisions.

1 – First, the deliberate policy of increasing the minimum wage. An increase of 72 % above inflation. Real 72 % in 10 years.



2 - Second, the effort to expand the number of formal jobs. In 10 years, 21.5 million new jobs were created and more people were included in the social protection network.

Formal Jobs Evolution (million)



Source: RAIS/MTE. Note: Balanced by the end of the periods

Finally, the Bolsa Família Program.

BOLSA FAMÍLIA **PROGRAM**



Bolsa Família has been designed as a cash transfer program conditioned to the inclusion of families in the education and health systems. A tripod of support from the three major networks of public services in Brazil: social welfare, education and health.

After 10 years, it is possible to show the positive effects of Bolsa Família in different areas: from women empowerment to regional development and financial inclusion.

Since 2003, the main objectives of Bolsa Família have always been:

Bolsa Família Program



- 1. Alleviate poverty and hunger**
- 2. Increase education attendance and reduce dropout rate**
- 3. Improve the access to health services for children, pregnant and breastfeeding women**

It is worth emphasizing that children have always been the priority in Bolsa Família. And the greatest achievements of the Program have been precisely registered among children.

From 2003 to 2010 we made a huge fiscal and management effort in order to include more than 9 million families in Bolsa Família.

This result was possible due to the Program's very simple design. It allows for scaling up and being easily replicated, which is an important issue in a country with such diversity as Brazil.

The social technology of Bolsa Familia is based in three assumptions:

1) the registration of families in a very simple database, based on self-declaration, organized by local governments;

2) a magnetic bank card and an efficient financial system which allows for transferring the money directly to each beneficiary, without intermediate channels, with accountability and transparency.

3) the priority for women as card holders. Women decide how to spend the money. Our researches have indicated that women always give the most efficient destination to money: their children. 93% of card holders are women.

In 2010, at the end of President Lula`s tenure, the Program was consolidated, covering almost 13 million families nationwide – and I stress that Brazil has 5,570 municipalities.

Once it was consolidated, it was possible to take a new leap, and build in 2011 the “Brazil without Extreme Poverty” Plan. Bolsa Família has become a platform on which it was possible to expand actions to increase income, to provide professional capacity building, to guarantee access to electricity in rural areas, to build popular housing, to have access to other 20 social programs. The Single Registry of Bolsa Família has become a useful map to plan State action for the poorest.

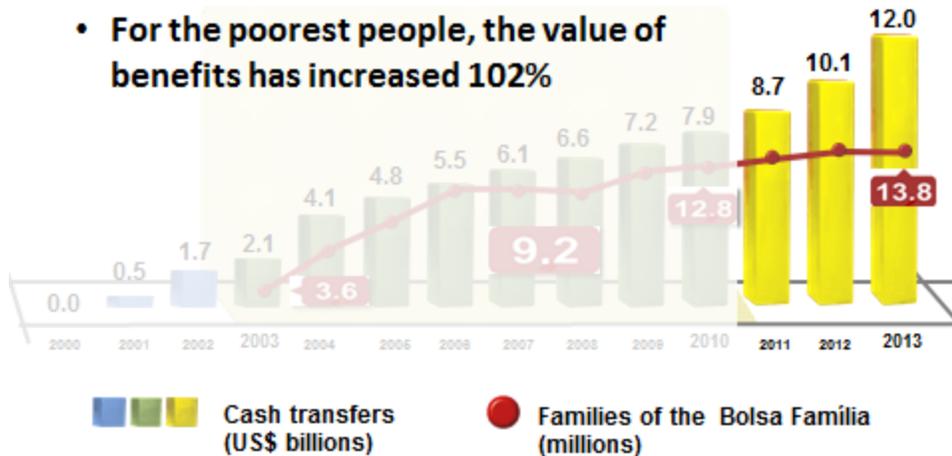
Bolsa Família Program Expansion

BRASIL

Brazil Without Extreme Poverty



- 55% real increase of cash transfers
- For the poorest people, the value of benefits has increased 102%



After the “Brazil without Extreme Poverty” Plan, Bolsa Família has changed. The value of installments, which was fixed before, became variable according to the gravity of the situation of poor people. **Now, those who have less get over, so that no Brazilian shall live on less than US\$ 35 dollars per month.** We have established this extreme poverty line according to the parameters of the United Nations Millennium Development Goals. **And there is no longer, in the Bolsa Família, a single extremely poor Brazilian according to these criteria.**

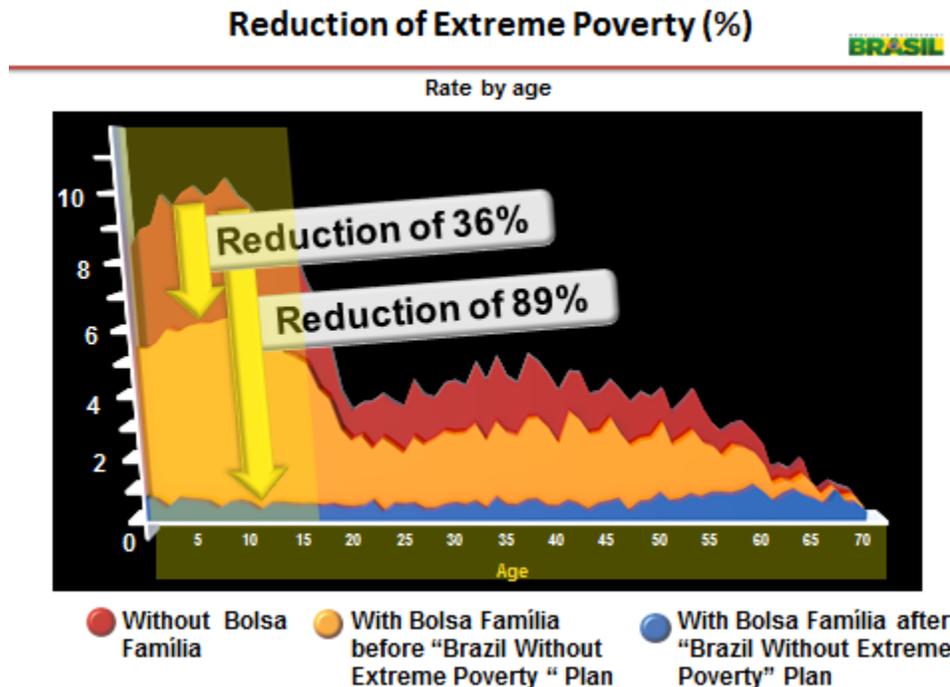
Public investment made in the “Brazil without Extreme Poverty” Plan has increased the total of Bolsa Família transfers by 55% above the inflation. For the poorest, transfers have increased by 102% in real terms.

Considering its overall impact, Bolsa Família maintains 36 million Brazilians out of extreme poverty.



**Keeps 36 million people above
the line of extreme poverty**

The next slide shows the curve of extreme poverty in Brazil if Bolsa Família did not exist. At the horizontal axis we see the distribution by age. Please notice that extreme poverty has been concentrated mainly among the youngsters (1, 5, 10, 15 years old ...).



Brazil had already consolidated a social protection net for the elderly. Yet many children and families with children suffered under severely poor conditions.

In its original design, before "Brazil without Extreme Poverty", Bolsa Família was able to promote a reduction of 36% in extreme poverty. Notice the impact on children.

Now observe the aggregate impact of the "Brazil Without

Extreme Poverty” Plan with variable benefits. The reduction of extreme poverty reaches 89 %.

This band in blue represents those that remain as extremely poor because they are not yet in Bolsa Família. We want to find them through an Active Searching and include them in the Program. More than 900 thousand families have already been outreached. Our estimates indicate that something like 600 thousand still have to be found.

In addition to have reduced extreme poverty in all ages, this new modality of Bolsa Família allowed to face the greatest inequality prevailing in Brazil: the concentration of extreme poverty among children. This was a decisive step to complete our social protection network.

Bolsa Família is part of a set of contributory and non-contributory system of benefits. Bolsa Família has not been created to replace retirement and disability pensions, unemployment insurance and other benefits. It has been created to complement the income of poor families – most of them very young – that had no specific protection under the social net. There is a summary below.

Social Benefits (coverage) **BRASIL**

Benefit Types		
Contributory	Old Age and Disability Pensions; Sickness and Work Injury Benefit (84.4 million)	Unemployment Insurance (7.8 million)
Non-Contributory	Social Assistance Benefits (Old Age; Disability) (28.9 million)	Bolsa Família Program (13.8 million families)

The vast majority of adults in the Program works (75% of the workforce), but even working they did not earn enough to live in a dignified manner. Today, Bolsa Família benefits 13.8 million families or 50 million Brazilians. One in every 4 Brazilians receives Bolsa Família. 42% of them have less than 15 years-old.

Let's now speak of health.

THE HEALTH OF *BOLSA* *FAMÍLIA'S* CHILDREN HAS IMPROVED



Bolsa Família beneficiaries have to fulfill some health requirements to receive their cash transfers: medical consultations and vaccination for kids, prenatal care for women. These measures have improved the health of children covered by the Program.

50% increase in prenatal care

14% reduction in premature births

Less babies born underweight

99.1% vaccinated children



A 50% increase in medical consultations for pregnant women.

They also eat healthier. And as a result of it, premature births have decreased by 14%.

Children are born stronger.

Their height and weight are followed closely by the basic health system and they need to take vaccines. They do it: 99,1% of children take their vaccines regularly.

The importance of Bolsa Familia and its health requirements is shown by the reduction of infant mortality among children aged from 0 to 5 years-old. In particular, deaths related to poverty diseases:

- Diarrhea mortality has dropped by 46%
- Malnutrition deaths have decreased by 58%, in municipalities well covered by the Program.

Children aged from 0 to 5 years old

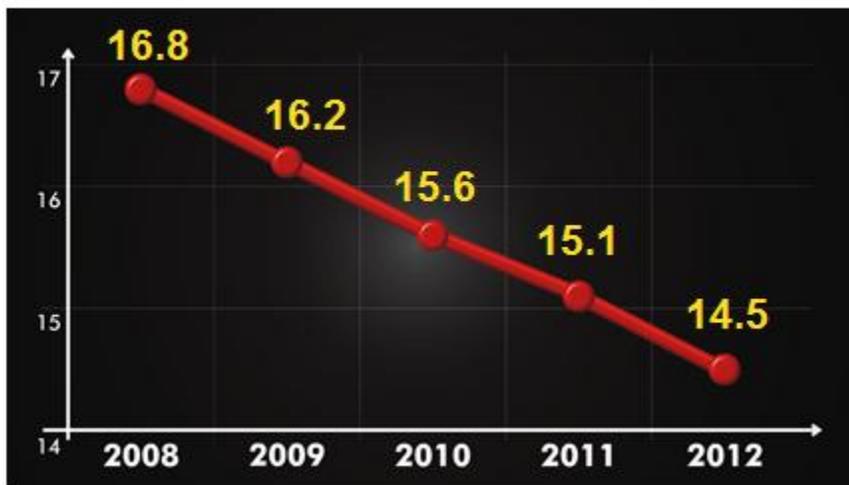
**46% decrease in
diarrhea mortality**

**58% decrease in
malnutrition death rate**



Bolsa Família has also dealt with child malnutrition. There are already positive results reducing the prevalence of stunting among children up to 5 years-old.

Prevalence of stunting (%) in children up to 5 years old in the *Bolsa Família* Program 



This means an important change in the cumulative effects of poverty over the physical and intellectual development of children. Bolsa Família had already made possible to overcome acute malnutrition, or hunger; now we have been able to also reduce chronic malnutrition.

Let's turn now to education

THE EDUCATION OF *BOLSA* *FAMÍLIA*'S CHILDREN HAS IMPROVED



The education of our children and youngster has also been improved. There were two critical situations among poor children: dropout rates and appropriate age-grade levels.

Results in this area have been surprisingly good: the Program reached its ultimate goal: to enroll and keep our children in school.

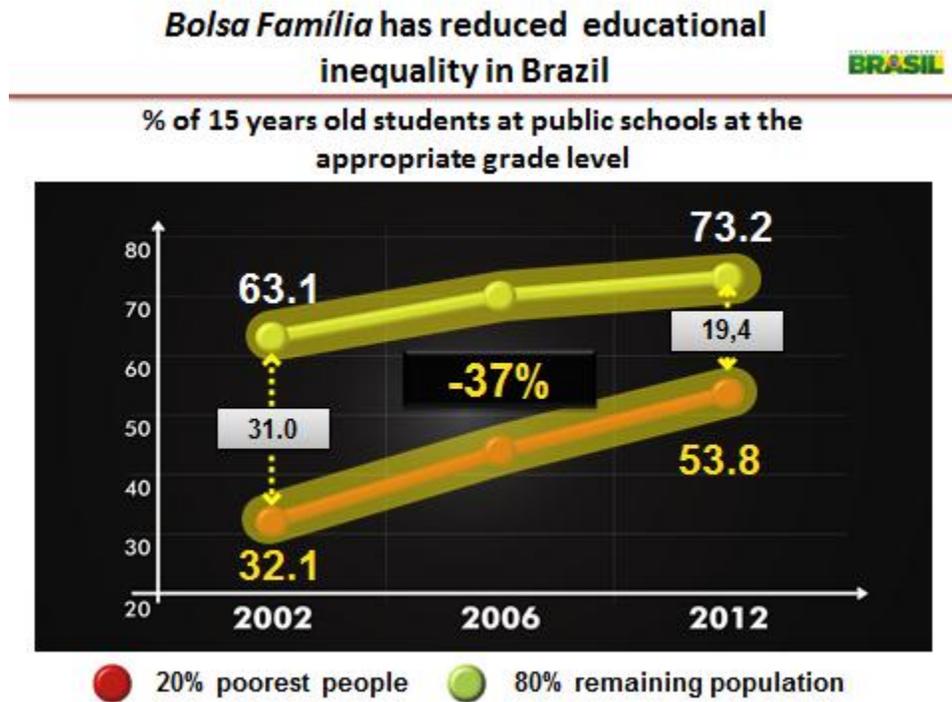
There are nearly 16 million students with attendance monitored monthly.

**There are almost
16 million students
being monitored**



Bolsa Família has strongly contributed to reduce educational inequality in the country.

Look at this chart: Students of 15 years old at the intended age for their grade level. The lower line shows the poorest 20%; the upper line, the remaining population.



The gap between them has decreased from 31 percentage points to 19.4 points. A decrease of 37% between the two groups.

IMPACTS OF *BOLSA FAMÍLIA* ON THE ECONOMY



Bolsa Família costs US\$ 12 billion dollars per year. It is a 0.46% of GDP translated into policies to overcome poverty and opening a door to the future of our kids.

But it is also possible to prove the positive effects of Bolsa Família on the economy.

Every dollar transferred by the Program becomes US\$ 1,78 dollar in the country`s economy.

US\$ 1.00

**GDP Multiplier Effect
= US\$ 1.78**



That is to say, Bolsa Familia is good for trade, industry and job creation... it is good for Brazil.

That`s why our slogan in the 10 year`s celebration is: Bolsa Familia does so much for Brazil that every Brazilian got benefited.



**Bolsa Família does so
much for Brazil that every
Brazilian got benefited**

Brazil has already lived under the aegis of models advocating cutting social expenditures to ensure fiscal balance. We have proved this remedy and we know that it did not lead to the resumption of development. On the contrary. It led us to further stagnation and distress. We do not overcome a crisis making it more profound. It cannot be healthy for the economy cutting social rights, dismantling social protection nets and reducing the purchase power of workers and all people.

We follow a different path today. Our effort is to fight poverty, to expand social security, to strengthen the protection network and to ensure rights.