Brazil’s Conditional Cash Transfer Programme

*Bolsa Família*

IBSA
International Conference on South-South Cooperation

“Innovations in Public Employment Programmes & Sustainable Inclusive Growth”

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The Programme

• Was launched in 2003 by the government of President Lula da Silva;

• Resulted from the merging of a previous set of cash transfer programmes, resulting in reduction of administrative costs and bureaucratic complexity;

• Corresponds to a monthly allowance of 32 reais (about US$19 USD) per child attending school, to a maximum of five children, to all families with per-capita income below 140 reais (US$ 82) a month (poverty-line);

• In return, families commit to keeping their children in school and taking them for regular health checks;

• The allowance is given preferentially to a female head of household;

• Families withdraw the money using a debit card.
Objectives

- Helping to reduce current poverty through direct transfer of funds to low-income families;

- Breaking the cycle of poverty passing from one generation to the next, thus helping to reduce future poverty.
The Current Situation

- The programme reaches more than 12 million families, around 48 million people;

- It spans more than 5,5 thousand municipalities;

- Its total cost is less than 1% of Brazilian GDP, and about 2.5% of total Government expenditure;

- In terms of numbers of beneficiaries, *Bolsa Familia* is today the largest cash transfer programme in the developing world.
Beneficiaries and Cost

Famílias beneficiárias (em milhões)  Recursos (em R$ bilhões)

2004  2005  2006  2007  2008  2009  2010*
6,6  8,9  11,2  11,3  11,4  12,4  12,7
3,8  5,8  7,6  9,2  10,9  12,5  13,4
2004  2005  2006  2007  2008  2009  2010*
Main Results

• Reduction of income inequality;

• Reduction of population living in extreme poverty;

• Improvement of school performance and health conditions of beneficiaries;

• Emergence of small businesses in poor areas (due to the increase in household consumption);

• Rural development;

• Reduction of regional inequalities.
Increase in income per person

Porcentagem
- Até 30%
- De 30% a 50%
- De 50% a 70%
- De 70% a 85%
- Mais de 85%
The way forward

- Expansion of the programme in the context of the “BRAZIL WITHOUT EXTREME POVERTY PLAN”: a comprehensive national poverty alleviation plan to lift 16.2 million Brazilians out of extreme poverty.
16 million extremely poor people

- Improving capacities and increasing opportunities
- Income Guarantee
- Access to public services
- Productive inclusion

INCOME INCREASE
IMPROVEMENT OF WELFARE

CHALLENGE: MULTIDIMENSIONALITY OF POVERTY
Income Guarantee
ACTIVE SEARCH

Single Registry: 500,000 new families already included

Bolsa Familia: including every family in extreme poverty

✓ Goal: 800,000 new families in the program by the end of 2013
BOLSA FAMILIA PROGRAMME IMPROVEMENTS

✓ 45% increase in the value of benefits paid to children

✓ The maximum number of benefits paid to children raised from 3 to 5 per family (inclusion of 1.3 million children and adolescents under 15)

✓ Benefits for pregnant and nursing women
Productive Inclusion
PRODUCTIVE INCLUSION

URBAN

Training for better qualification

RURAL

Increased and improved production
Free courses, tailored according to the region’s employment demands, will be offered to one million people until 2014.

Job training to increase qualification and to improve the prospects for poor citizens in the labour market
RURAL PRODUCTIVE INCLUSION

Fostering capacities and opportunities

TECHNICAL ASSISTANCE

Seeds and inputs
Grants
“Water for All”

IMPROVED AND INCREASED PRODUCTION

Markets
Consumption
Continuous and individualised technical assistance to 253,000 small farmers by 2014

✓ 37,000 poor farmers received technical assistance and 375 tons of seed in 2011.

Goals for 2012:
✓ 179,000 families with technical assistance
✓ 100,000 families with grants of R$ 2,400 (~US$ 1,370)
THE FOOD PURCHASE PROGRAM

455,000 extremely poor and poor families of small farmers selling their crops to the federal programme by 2014

✓ 82,000 families already reached by the end of 2011
✓ Goal for 2012: raising the number of families to 139,000
Poor people no longer have to come to the State for help

The State is going where poverty is

Active Searching and the Single Registry
“What was a matter of moral ethics and human rights became a key pillar to bring Brazil`s growth to another level. Social inclusion makes our growth sustainable.”

President Dilma Rousseff
At the launching of Brasil sem Miséria
June 2011
Thanks