



**Inter-American
Social Protection Dialogues**

What is the *Brasil sem Miséria* plan and how does *Bolsa Família* fit in it?

Brasil sem Miséria plan – Brazil without Misery – is a collection of programs and actions, some existed before 2011, some were recast, very few are novelties.

Bolsa Família was set as the main intervention of the income axis of the BSM plan.

BSM organized the interventions upon poverty by narrowing the role of BF to address the specific problem of income deprivation.

Other poverty related maladies, such as lack of access to services, should be tackled by specific programs.



How does *Bolsa Familia* relate to the other axes of the *Brasil sem Miséria* plan?

Brasil sem Miséria plan has three axes around which its programs and actions organize:

- 1) Income – self-explanatory;
- 2) Access to goods and services – health, education, sanitation, housing, electricity, communications...;
- 3) Productive inclusion - the “exit doors” to sustainable emancipation from poverty, with different sets of programs for rural and urban beneficiaries.

BF relates to the other BSM programs through Cadastro Unico.



How does *Bolsa Familia* relate to the other axes of the *Brasil sem Miséria* plan?

Cadastro Unico, the registry under BF's hood, was meant to be used by all social policies, but throughout its existence it was developed under BF and used mainly by the program.

BSM is now making intense use of the Cadastro, which now have almost 80 million people registered, beneficiaries of around 20 different social programs.

Cadastro Unico is being used to identify families that will benefit from subsidized electricity, to identify schools that will receive more investments, to choose the location of new health centers, and who is going to participate in housing programs, among other things.

BF beneficiaries are a priority in all interventions – that is how the multidimensionality of poverty is being dealt with: different problems require different remedies, not a cure all



What were the main changes in the benefit structure of BF before and after BSM?

BF has changed a lot since its inception. We won't go through all the changes – they are described in the Policy Brief 41 of IPC-IG.

The first major change was the creation of the benefit for adolescents in 2007 (started being paid in 2008).

Second one happened with the launch of BSM, in 2011, a “pro-children” change – the per child benefit increased more than the others, and its limit was raised from 3 to 5 children.

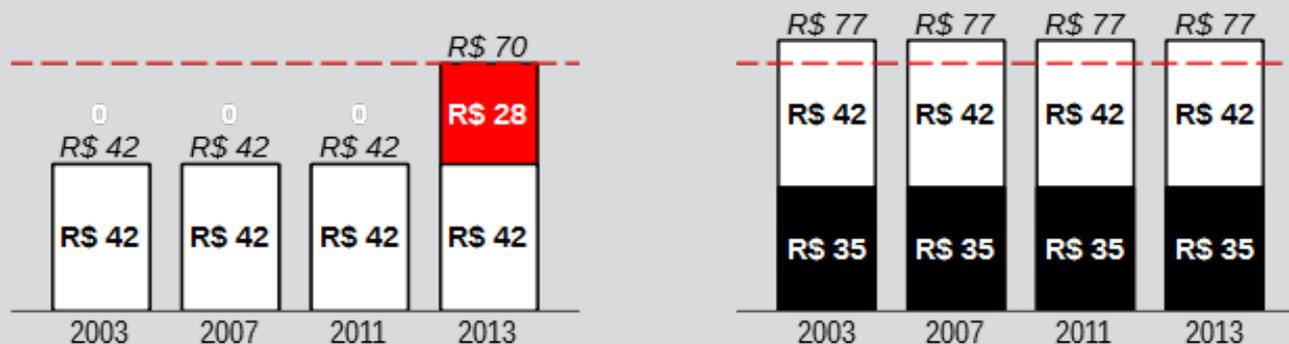
The most radical change was the introduction, in 2012-2013, of a new benefit, which value is determined by the residual extreme poverty gap, and not by family composition.

In the next slide we will see how these changes impacted different families.

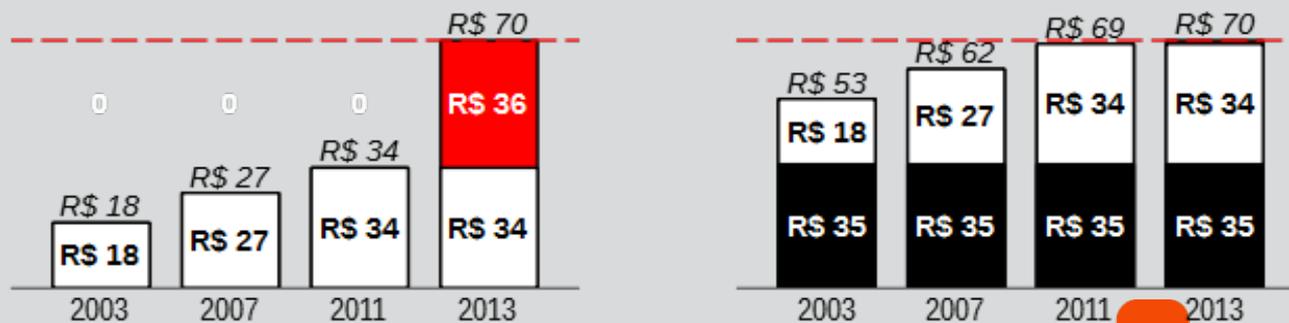


What were the main changes in the benefit structure of BF before and after BSM?

Woman with three children



Couple with five children and two adolescents



Declared income
 Old benefits
 New benefit

What were the main changes in the benefit structure of BF before and after BSM?

After 2011, the basic benefit, the per child benefit, and the per adolescent benefit were frozen, they have not been adjusted for inflation.

The average transfer, however, is increasing because of the new residual extreme poverty gap benefit. This can be seen in the next slide, that shows three distinct periods:

2003-2006 in Lula's first presidential term, the benefit values were fixed while coverage was expanding and targeting improving

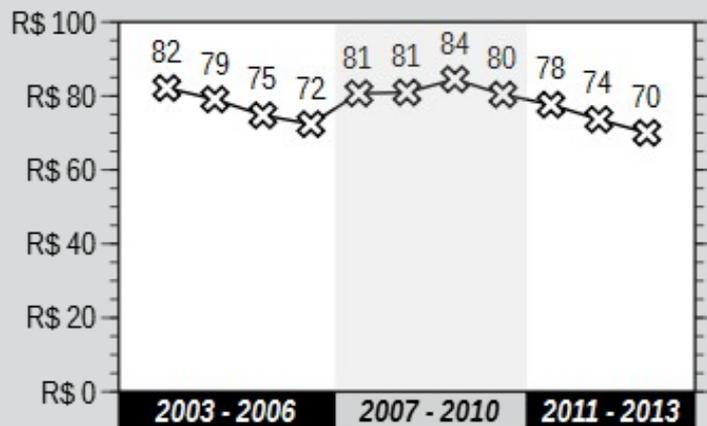
2007-2010 in Lula's second term, benefits kept at least their real value, and the adolescent benefit was introduced

2011-2013 the old benefits were frozen and only families that were still extremely poor after BF are receiving the new benefit

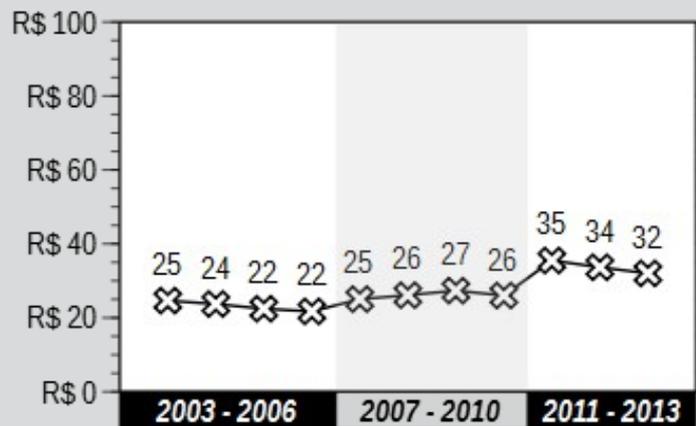


Different trends of the values of the various components of the benefit structure of BF

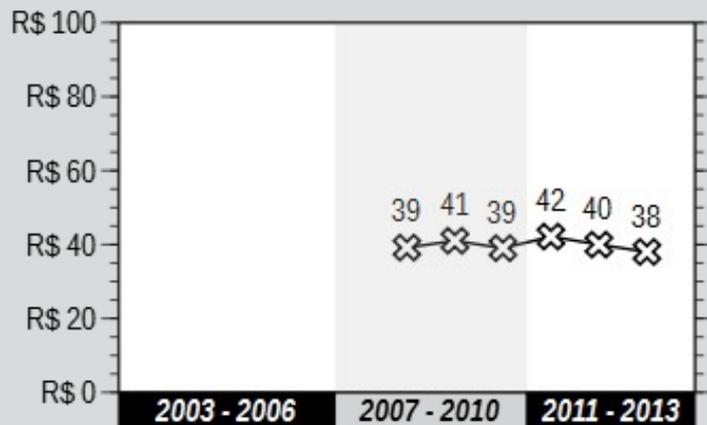
Basic benefit (per family)



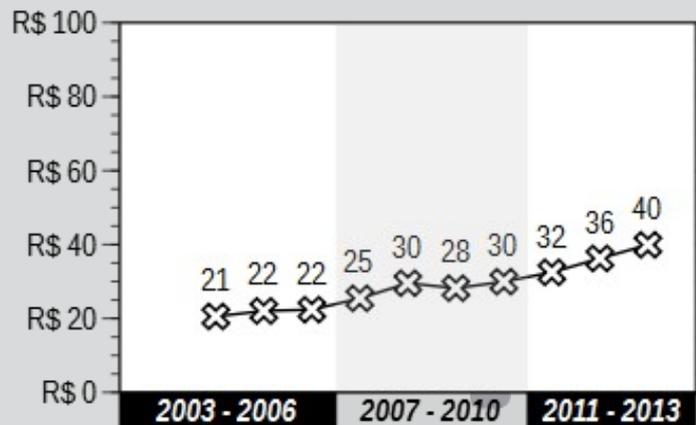
Child benefit (0 to 15-year-old)



Adolescent benefit (16 or 17-year-old)



Average transfer (per beneficiary)



R\$ at constant 2013 prices (Jan-May)

Will the new benefit structure improve BF's effectiveness against poverty?

We simulated on the PNAD 2011 the different benefit structures that BF has had over time to compare their effectiveness in reducing extreme poverty.

The result of the exercise is shown in the next slide.

The new structure performs far better than the others in the static simulation. It is also (last slide) very pro-children – whose headcount ratio used to be twice that of the whole population.

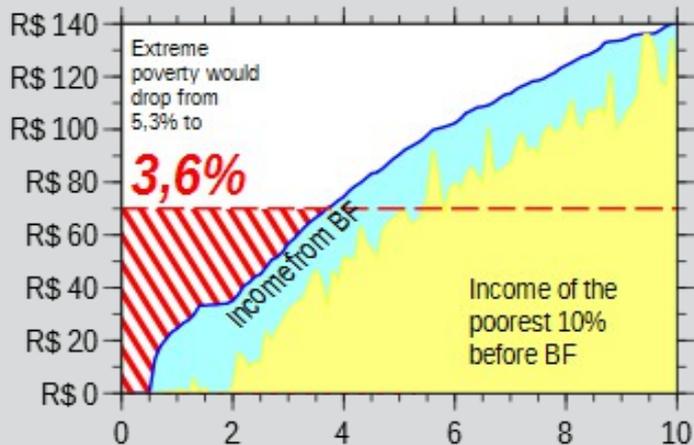
The catch is that everything relies on the assumption – very good one – that the income of the beneficiaries will not drop below declared income in the Cadastro.

But we have grounds to believe that people declare low income when enrolling due to strategy and circumstance.

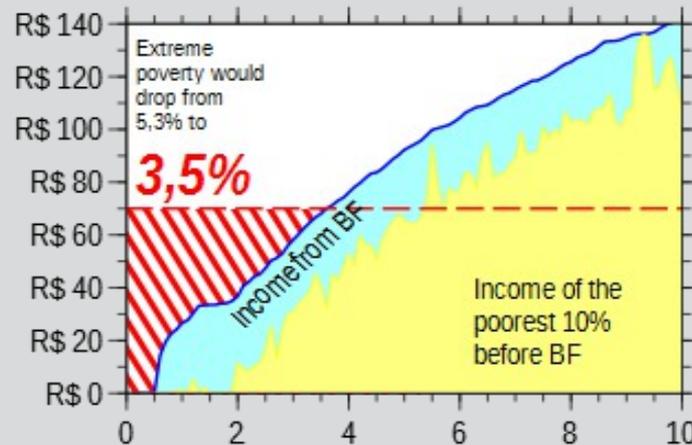


Will the new benefit structure improve BF's effectiveness against poverty?

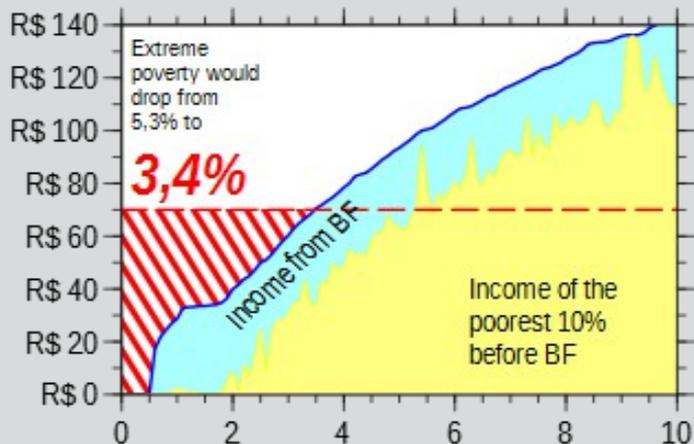
2003 benefit structure



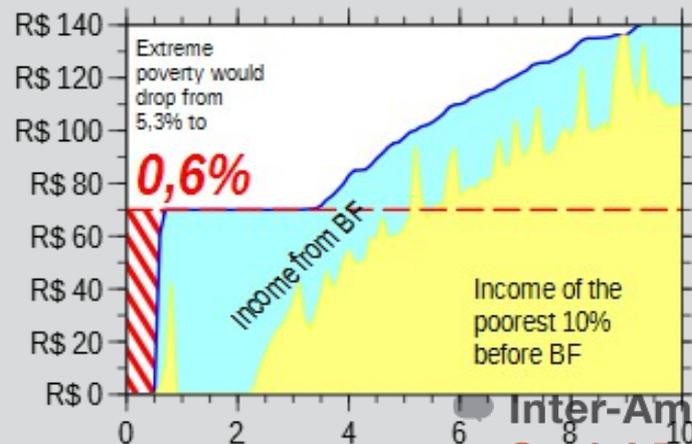
2007 benefit structure



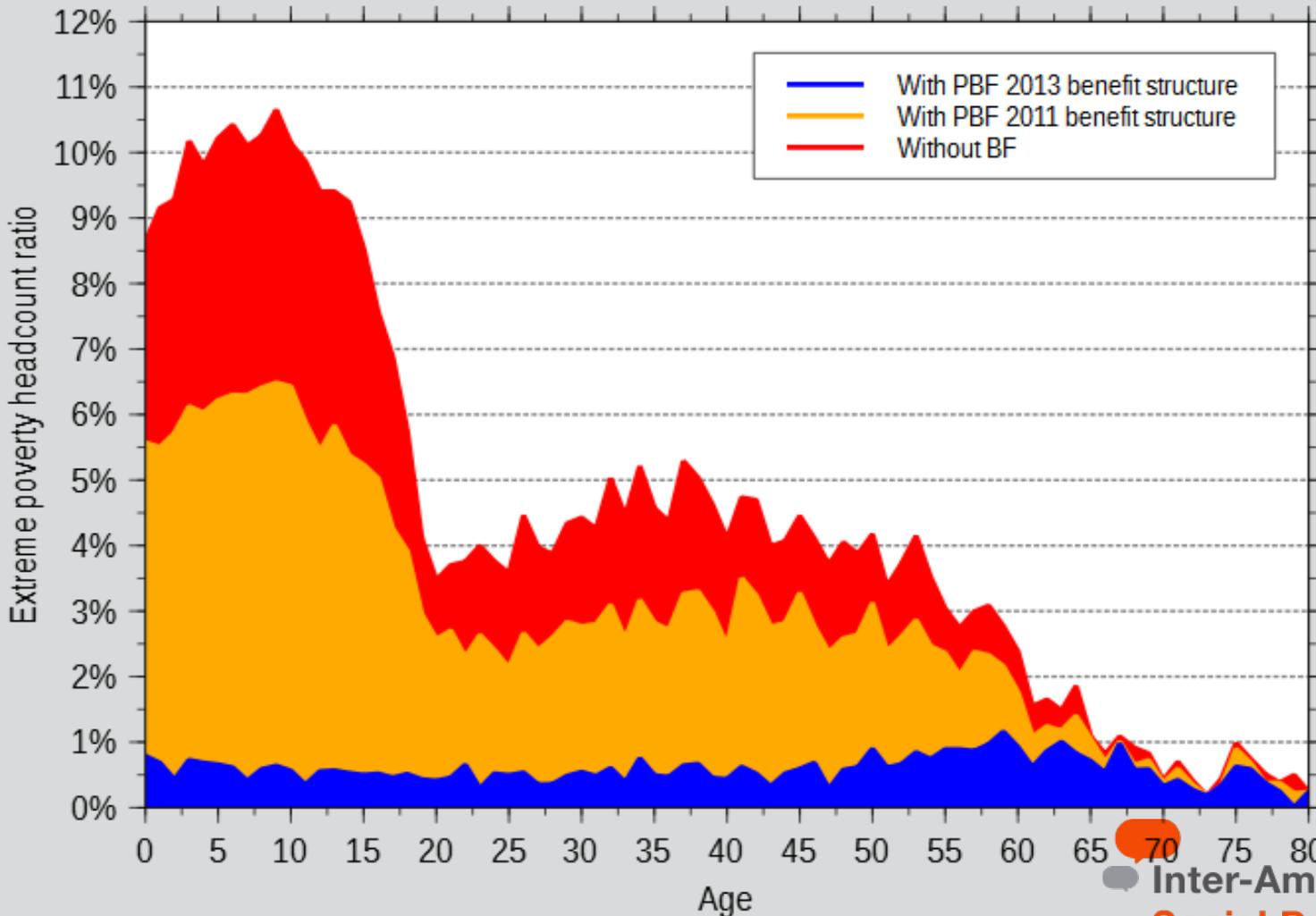
2011 benefit structure



2013 benefit structure



Will the new benefit structure improve BF's effectiveness against poverty?



Simulations based on 2011 National Household Survey (PNAD) and PBF registry data