Social Development in Brazil

Ministry of Social Development and Fight against Hunger

Brasília  March, 2013
BRAZIL

Population (est. 2010): 190 million people

Area: 8.5 million km²

Federal Republic: 26 states, 5,564 municipalities and the Federal District

GDP (2011): US$ 2.51 trillion

GDP per capita (2011): US$ 11,600

GDP Composition:
- agriculture: 5.8%
- industry: 26.9%
- services: 67.3%

HDI: 0.699

Gini Index (2011): 0.508
World Population
World – Latin America inequality

<table>
<thead>
<tr>
<th>Mais Desiguais</th>
<th>Menos Desiguais</th>
</tr>
</thead>
<tbody>
<tr>
<td>1º Guatemala</td>
<td>1º Venezuela</td>
</tr>
<tr>
<td>2º Honduras</td>
<td>2º Uruguai</td>
</tr>
<tr>
<td>3º Colômbia</td>
<td>3º Peru</td>
</tr>
<tr>
<td>4º Brasil</td>
<td>4º El Salvador</td>
</tr>
<tr>
<td>5º Rep. Dominicana</td>
<td>Equador</td>
</tr>
<tr>
<td>6º Bolívia</td>
<td>6º Costa Rica</td>
</tr>
</tbody>
</table>

Fonte: Relatório do Programa das Nações Unidas para os Assentamentos Humanos (ONU-Habitat)

Gráfico 2.5
Evolución del índice de Gini en países seleccionados, 1990 y 2009

Fuente: Elaboración con datos de CEPALSTATS. Consultados en agosto de 2011.

Source: The Economist.
Brazilian Social Policies: Historical Perspective
Brazilian Social Policies – Historical Perspective

**Origin:** mainly private and disperse through the territory.

**Education and health public and private offer insufficient for its demand**

1930’s: establishment of the first social rights related to formal employment – limited public offer of services

Open spaces for social movements to organize themselves fighting for their rights agenda – i.e.: escolas de base

**Civil-Military Dictatorship:** legislation in accordance with the repressing structure of the State. The **social issues remain as a “police matter”**. 
“Pre-Systemic” Stage (1982 to 2000)

Re-democratization (Constituição Federal/88): advances on the legislation and democratic movements and democratizers, but without altering the States’ structure.

Open space for a “minimum State” process (90’s).

1988 – 2000:
- Starting Rights Systems – Health, Education and Social Assistance organized on the national territory as a whole
- Convergence: supply organization and some standardization on services
- Decentralization of policies.
“Systemic Stage” (2000 to 2010)

Consolidation and articulation of actions;

- The State as a “aglutinator” of fragmentary initiatives.
- Pragmatic system design:
  - Unified Social Assistance System (SUAS) – Defining approach; means and functioning methods;
  - Bolsa Família – Defining eligibility criteria, amounts, and so on.
The Ministry of Social Development and Fight against Hunger
Ministry of Social Development and Fight against Hunger (MDS)

• Created in January 2004 to integrate non-contributive social protection policies for the poor/vulnerable population:
  – Social Assistance
  – Food and Nutritional Security
  – Conditioned Cash Transfers
  – Promotion of Productive Inclusion*

• Public policy systems:
  – Unified Social Assistance System (SUAS)
  – National System on Food and Nutritional Security (SISAN)
MDS’ BUDGET and GDP’s Rate

US $ BILLIONS

GDP  MDS Budget
"Bolsa Familia" Income Transfer Program (% of GDP, R$ billion and million of households)

Data: % of GDP, R$ billion and million households

Source: MDS
Elaboration: Ministry of Finance
Ministry of Social Development and Fight against Hunger
Unified Registry for Social Programs

• The Single Registry is a tool for identifying low-income families.
• The target audience of the Single Registry is broader than that in PBF: families with per capita income up to half the minimum wage (approx. US$ 170 *) should be included.
• Target: be the main database for policies addressed to low income families.

* New minimum wage of R$ 678
POVERTY AND ITS MULTIDIMENSIONALITY
Requires a group of public policies and services, structured in three axes:

1. Income Guarantee
   - 22,1 millions
   - Increase of capacities and opportunities

2. Access to Services
   - Increase of income and welfare

3. Productive Inclusion
BRAZIL – Distribution

Gini Income Index* (12-month moving average)

Data: 12-month moving average
* People over 10 years of age. Based upon the per capita income, considering the monthly income of all types of work effectively received

Source: IBGE
Elaboration: Ministry of Finance
Unemployment rates

Unemployment Rate (% of economically active population)

Data: % of economically active population
Source: IBGE
Elaboration: Ministry of Finance
Minimum wage

Real Minimum Wage Evolution (R$ - annual average in 2011 prices)

Real growth 66%
Nominal growth 211%

Data: R$ - Annual average in 2011 prices
Source: IPEA
Produced by: Ministry of Finance
Income Growth Rates

Average Growth Rate of the per capita Income - 2001 to 2009

Data: Average growth rate (2001-2009)
* Estimates based on PNAD (2001 to 2009)

Source: IBGE
Elaboration: Ministry of Finance
Composition of Brazilian Social Classes (millions of people)

<table>
<thead>
<tr>
<th>Class</th>
<th>2002</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Class</td>
<td>7.2</td>
<td>9.6</td>
</tr>
<tr>
<td>B Class</td>
<td>7.3</td>
<td>10.4</td>
</tr>
<tr>
<td>C Class</td>
<td>67.5</td>
<td>95.0</td>
</tr>
<tr>
<td>D Class</td>
<td>46.1</td>
<td>44.5</td>
</tr>
<tr>
<td>E Class</td>
<td>46.6</td>
<td>28.9</td>
</tr>
</tbody>
</table>

Total: 175 million in 2002 vs. 188 million in 2009

Source: FGV
Elaboration: Ministry of Finance
ACTIVE SEARCH

• All Bolsa Família’s beneficiaries have overcome the poverty line over the past few years (22.1 million people in 3 years);
• 700,000 extreme poor families should be included in the Single Registry and in the Bolsa Família Program until 2014 (if this goal is achieved, Brazil will eliminate extreme poverty in its territory).

1/3 of the Brazilian families already are registered in the Single Registry

The Single Registry is the front door for the public politics and services of Brazil Without Extreme Poverty

Poor people no longer have to come to the State for help

The State is going where poverty is
Thank You!