

FROM A MINIMUM INCOME TO A CITIZENSHIP INCOME: the Brazilian Experiences*

Maria Ozanira da Silva e Silva**
ozanira@elo.com.br

SUMMARY: The Brazilian experiences on Minimum Income started in 1995 in a local level. Several state programs were created since 1999. The first national program started in 1996 and others were created since 2001. In 2003, an effort started to unify all income transfer programs from local, state and federal levels the: **Family Scholarship Program**. The Brazilian National Congress approved and the President sanctioned Eduardo Suplicy's project of law to establish a national Citizenship Income Program, to start from 2005. The assumption is that a monetary transfer to poor families can stop the circle of poverty, when articulated with structural policies. I intend to present those programs, their development and its limits and possibilities.

1 INTRODUCTION

Brazil is a large South American country, with an area of 8,547,403 Km² and a population of 169,799,170 inhabitants, 38 per cent of them is below the Poverty Line. Brazil is divided into 5 Regions. They present unequal economical and social indicators and cultural diversities. There are 26 States, the Federal District and 5,561 municipalities in the country. The monthly income of 51.9 % of the Brazilians is up to U\$ 160,00 and just 2.6 % of our population earns more than U\$ 1.600,00 a month. In relation to education, 09 among 10 children from 0 to 3 years of age do not go to nursery school and 31.4 % of the population with more

* This research was developed as a part of the activities of an Academic Cooperation among three Graduate programs: Programa de Pós-Graduação em Políticas Públicas da Universidade Federal do Maranhão; Programa de Estudos Pós-Graduados em Serviço Social da Pontifícia Universidade Católica de São Paulo and Núcleo de Estudos de Políticas Públicas da Universidade Estadual de Campinas, approved and financed by Fundação Coordenação de Aperfeiçoamento de Pessoal de Nível Superior - CAPES/Brazil. It was also the main research activity of the project: "Follow-up and Evaluation of the Income Transfer Programs in Brazil", approved and financed by Conselho Nacional de Desenvolvimento Científico e Tecnológico - CNPq/Brazil.

This is a paper presented to the Tenth Congress of the Basic Income European Network, Barcelona (Spain), 19-20 September 2004.

** She is a doctor in Social Work, coordinator and professor of the Programa de Pós-Graduação em Políticas Públicas, Universidade Federal do Maranhão/Brazil.

than 10 years of age does not finish elementary school (four years of studies). They are functional illiterates. 59.9 % of the population does not finish 08 years of school and just 4.1 % attend 15 years of school, that is, they have University degrees. Brazil ranks the 5th place in income concentration in the world.

This is the context of the debate and the experiences of the Income Transfer Programs in Brazil, the subject of this paper.

The Income Transfer Programs have been implemented in Europe since the 1930s, however the debate about an income guaranty was spread on international level just in the 1980s. The debate and new experiences were motivated by a great economical transformation with severe consequences to the work market, mainly by the increase of unemployment and poverty in the whole world.

The first discussion about the introduction of a minimum wage program in Brazil was in 1975. This discussion defended the idea of the eradication of poverty in the country. Silveira (1975) presented a proposal of “income Redistribution” in order to establish a relationship between economical growth and welfare. The central idea was a gradual and effective extinction of poverty among families who required a governmental intervention in order to guarantee a proportional monetary transfer having as reference the level of subsidies of the poor population.

Bacha and Unger (1978) defend a monetary complementation for poor families as a mechanism of income repartition. The objective was the survival of the political democracy that needs to limit the level of inequality and misery in a country.

The idea of creating the Income Transfer Programs started to be part of the public agenda in Brazil in 1991. Since that time a process of development of that plan begun when the Senator Eduardo Suplicy's Project of Law was approved in the Senate. He is a member of the Workers' Party, who proposed the creation of the Basic Income Warranty Program (*Programa de Garantia de Renda Mínima – PGRM*), on a national level. The program was directed to Brazilian workers with 25

years of age and over, who earned around two minimum wages¹. However, this Project of Law is still in Congress pending approval. An important moment in this process was when CAMARGO (1991; 1993; 1995) proposed an articulation between income and the attendance of children and young poor people to public schools. He proposed a monetary transfer of about a minimum wage to the families that had children or dependents from 5 to 16 years of age, if they had a regular school attendance. Therefore, the link between Minimum Income programs and public school was the warranty of focusing on poor families. Then, the development process would start with Minimum Income/Scholarship Programs and has achieved a recent proposal for unification of all Income Transfer Programs created by federal, state and municipal governments, followed by a sanction of the Brazilian President of a Citizenship Income to all Brazilian and foreign people living in Brazil for five years with prevision to start its implementation in 2005.²

It is important to say that the social and economical conjuncture that surround the creation and expansion of the experiences of the Income Transfer Programs in Brazil were marked by the following characteristics:

- ✓ The elevation of unemployment and job insecurity due to the liberal economical policies and structural adjustment of the national economy to the international and global economy, adopted during the 1990s.
- ✓ Rise in violence rates in big cities.
- ✓ Low qualification of the Brazilian workers to meet the demands of the new working world.
- ✓ Rise in the indexes of child labor, with the exploitation of children and young.
- ✓ Rise in poverty, being the children and the young people the most affected.

Now I can point out 2003 as an important year in the historical development process of the Income Transfer Programs in Brazil. This is the beginning of the Luiz Inácio Lula da Silva's government. Some qualitative and quantitative changes

¹ A minimum wage in Brazil is about US\$ 86,00.

² About Income Transfer Programs in Brazil, see: SILVA (1997; 2004); SUPPLY, (2002).

happened towards building a National Public Policy of Income Transfer. The following are the main occurrences to be pointed out:

- ✓ The new Government points out that one of its priority is the fight against hunger and poverty. Understanding that Social Policies are an important mechanism for facing poverty as long as they are articulated to an Economical Policy that considers the redistribution of income in the country; to raising the valorization of the work income; to protection of the workers; inclusion of all the formal and informal workers; to the inclusion of the urban and rural areas in an universal and national welfare system; development of an agrarian reform with a technical assistance to the rural workers, among other actions.
- ✓ A process to unify the Income Transfer Programs has begun, since October 2003, starting with four federal programs: School Scholarship; Food Scholarship, Gas Aid and Food Ticket. The later objective is to reach all federal, state and municipal programs.
- ✓ An increase on budget resources directed to Income Transfer Programs in 2004 that is now reaching 1.9 billion of dollars. This is double what was available in 2002.
- ✓ Senator Eduardo Suplicy's Project of Law number 266/2001, proposing a Citizenship Income, was sanctioned by the President on January 08, 2004, with prevision to start its implementation reaching first poor people in 2005. The Citizenship Income Program is directed to all Brazilians and foreign people living in Brazil for at least five years and the benefit is an unconditional basic income for all, independent of jobs or any other condition.
- ✓ In order to support the intention of unification of The Income Transfer Programs, it was created, in January, 2004, The Ministry of Social Development and of the Fight Against Hunger, having registered an increase on the budget for social programs.

From the above reflection, I can say that the Income Transfer Programs represent nowadays the central component in the constitution of the Brazilian Social Protection System, however just the follow-up and evaluation of these

programs will allow, in the future, to identify the dimension of its impacts mainly regarding two points: The real possibilities to raise the schooling level of the Brazilian population and its effectiveness as a public policy to face poverty in our country.

2 THE INCOME TRANSFER PROGRAMS IN BRAZIL

The conception of Income Transfer Programs is seen in this paper as a direct monetary transfer to families or individuals. The basic arguments that support the implementation of these programs are two. The first one is that the cost opportunity for the poor families to maintain their children in school is too high because of the fall on the already short family income. The second argument is related to the lack of educational formation as a restrictive factor to raise the income of new generations. This situation starts a vicious cycle of poverty in the present and it is determinant of poverty in the future. In this sense, it is worth to define a financial compensation in order to allow the poor families to send their children to school. A cash transfer would be a mechanism to stop the vicious cycle of poverty.

The diversity and dimension of the Income Transfer Programs, in Brazil, can be identified in municipal, state and federal levels, according to what will be discussed below.

2.1 The Experiences Created and Developed by Municipalities and States

A research developed in 2002 about the Minimum Income/Scholarship Programs, carried out through the initiative of Brazilian municipalities and states, shows 45 local programs in implementation, 60.1% of those, were located in Municipalities of São Paulo State and 79.6% were located in the municipalities of the states of the Southwest and South Regions. This means that those were cities located in States of the more developed Regions. They have more budgetary condition to finance these programs. Besides that, the large majority of these programs maintain a limit for the inclusion of the target families. A great deal of

families below the total number of poor families who need aid are not covered by these programs. It was also verified that there was no extension of the amount of families in those programs for a long time, as well as the maintenance of the monetary value of the benefit in spite of the inflation that still occurs in the country. Therefore, the limits of the Income Transfer Programs created by the municipalities are quantitative and in its criteria of inclusion. It is important to say that just 12 of the 26 Brazilian capitals implement Minimum Income/Scholarship Programs, that is, less than half of the capitals of the Brazilian states.

In relation to the Minimum Income/Scholarship Programs implemented by the Brazilian states, the same research identified 11 programs in implementation beyond the program called “Renda Minha” developed in Brasília, the country’s Federal District. Those programs are in 42.3% of the 26 Brazilian states but they reach only 1,151 (20%) of the 5,561 Brazilian Municipalities. This data confirms the quantitative insufficiency of even the state programs that like the local programs are also limited so by the budgetary difficulties than by the amount of the target population eligible for those programs.

2.2 The Experiences Created by Federal Government and Developed in a Decentralized Way by the Municipalities

Since 2002 the Federal Government has been proposing the development of a “Social Protection Network” directed to the poor population of the country. The main articulator axis of this Network is the Income Transfer Programs. They are programs directed to poor families, whose income is for the most part, only half of the minimum wage (about US 43) of family per capita monthly income.

The Income Transfer Programs created by the federal government and implemented in a decentralized way by Brazilian municipalities are the following at the present.

a) **Child Labor Eradication Program**

The **Child Labor Eradication Program** is an Income Transfer Program created by the federal government, in 1996. The motivation to create this Program was the identification of an extended practice of submission of children and youngsters to painful and hard work in several States of Brazil. This Program started in rural areas but has been extended to urban areas since 1999. It's obligation is to maintain children, from 7 to 15 years of age in school through the complementation of the family monthly income with benefits ranging from U\$ 5,10 to U\$ 15,30 per child living in rural or urban areas, respectively. The families must have a family per capita monthly income of half a minimum wage (U\$ 43,00). The children have to attend school and social educational activities during the whole day. Its intention is to keep the children busy all day in order to avoid their return to their previous jobs. The Program also intends to give to the adults of the families opportunities for job qualification, job placement, instruction in reading and writing and other activities

The **Child Labor Eradication Program** is an Income Transfer Program implemented in a decentralized way. Up to November 2001 it reached 2,601 municipalities of the 26 Brazilian States and Brasília, the Federal District, reaching 810.348 children and adolescents. It had, in 2003, a budget of about 83.7 million dollars.

The main expected impact of the PETI is to take children and adolescents away from painful and hard child labor and to maintain them all day long in school and give them a hopeful future. From the families it is expected more participation in their life; raising their self-esteem and hope in the future as well as giving them immediate relief from the hard economical and social life conditions.

The main issues that one can raise about the **Child Labor Eradication Program** are:

Children need to work in order to increase their families' income. Therefore they help to support their families. This happens because the adults do not have opportunities to get stable and well paid jobs. They don't earn enough to support the basic needs of their family. This means that child labor is a structural problem of the capitalist societies and this situation has become worse in the context of the globalization of the economy and in the context of the increase in unemployment and precarious, unstable and low paid jobs for the adult population.

Another problem specifically relate to the **Child Labor Eradication Program** itself is the age fixed for children to be accepted by the Program, from 7 to 15 years of age. The age range between 0 and 6 is very important for the children's development and so is the age range after 15 years of age, when the family is dismissed from the Program. The reality is that the young return to the work market and the cycle of poverty goes on and on. Again in a long run, the situation will be kept the same.

b) **Continuous Action Benefit**

The **Continuous Action Benefit** was created in 1996. It is a program of cash transfer to people from 65 years of age and older who live in families with per capita monthly income below a quarter of a minimum wage and to handicap people, living in the same economical situations. The benefit is one minimum wage, around U\$ 88,00, a month. The handicap person must be incapacitated to work and to have independent life. The program is evaluated every two years and it stops when the recuperation of job capacity occurs, in the case of a handicap people, or with the change in the economical situation of both, aged and handicap person. Their dependents do not have the right to receive the benefit because of the death of the assisted person.

Up to December 2003 about 1 million 756 thousand Brazilians were included in the program, with a budget of about 1 million 509 thousand and 509 hundred dollars.

c) Rural Social Security

The **Rural Social Security**, as determined by the Brazilian Federal Constitution of 1988, is an Income Transfer Program because it is flexible in relation to the requirement of a previous contribution. It is directed to the rural population who has been working in the agricultural field. It can reach, in case of retirement, the women 55 years old and over and the men who are 60 years or over; widowed, people in health licenses or in case of job injuries. The benefit is a Minimum Wage (US\$ 86,00) a month.

The **Rural Social Security** is seen as a special protection for the family's rural production and several researches have demonstrated its strong impact on the rural poverty, mainly among the oldest population, as well as this program is seen as an important mechanism of income redistribution in Brazil, a country with a high level of income concentration in the world (DELGADO; CARDOSO JUNIOR, 2000; SCHWARZER, 2000).

The Rural Social Security has reached up to 2002 7.3 million of people with a budget around 5.1 million dollars in 2002.

d) School Scholarship Program

The **School Scholarship Program** started its' implementation in June 2001, as a major federal program. Its goal is to reach 10,7 million children and adolescents in 5,9 million families. It is directed to families with a per capita monthly income around US\$ 44,00 and with children from 06 to 15 years of age, enrolled in school. Each family should get around US\$5,10 per child a month, for at the most three children, totalizing around US\$15,30. The family's obligation is that children have at least 85% attendance in school. The school frequency of the children must be sent to the responsible agency in order for the benefit to be transferred to family mothers by a magnetic bankcard.

This program benefited 5,506 of the 5,561 Brazilian municipalities by November 2002; 2,5 million families were reached and 8,4 million of children were also benefited. This is a Program supported by the Poverty Found and it had a budget about 426 million dollars in 2002, with a prevision of about 612 million dollars in 2003.

The expected impacts of the Program are:

- ✓ Universality of the elementary teaching;
- ✓ Raising the economical, cultural and social conditions of the assisted families who are below the poverty line;
- ✓ Raising the self-esteem, dignity and hope in the future of the poor families;
- ✓ Reduction of the costs of school evasion and repetition.
- ✓ Citizenship development;
- ✓ To make the local economies more dynamic.

e) Food Scholarship Program

The **Food-Scholarship Program** was created in 2001 directed to poor families with a per capita monthly income of U\$44.00 with pregnant mothers or undernourished children from 0 to 6 years of age. Its' objectives are to reduce nourishment deficiency, to reduce child mortality rate and to improve health and nutrition conditions of the family. It is associated with health care for the members of the family, such as the pre-natal of pregnant women, vaccination of the children and participation on educational activities. The benefit is around U\$ 5,10 to U\$15,30 for families with one to three children and health service at a Health Unit.

The cash transfer can be used for the acquisition of food to improve nourishment conditions of pregnant women, mothers with newborn babies and children from six months to six years of age or for the acquisition of seeds, fertilizer or other products that can result in the improvement of the nutritional quality of the family, such as maintaining a vegetable garden in the family house. The time of permanence of the assisted family in the Program is 06 months with the possibility

of renewing this time for no longer than 18 months according to the performance of the family.

The outcome and possible impacts that are expected are:

- ✓ More freedom for the families to choose the most adequate food to their necessities;
- ✓ Improvement of the quality of life;
- ✓ Improvement of the preventive health actions, with a decrease of the child mortality rate and the undernourished prevalence;
- ✓ Induction of social inclusion of the poor families;
- ✓ Development of the citizenship with interruption of the reproduction of the poverty cycle;
- ✓ Improvement of local economies with creation of jobs.

Just like the School Scholarship Program, with the **Food Scholarship Program** each municipality gets a share from the federal Government, with an indication of the amount of the scholarships to be implemented each year. The goal fixed in the creation of the Program was to reach 800 thousand of pregnant and nursing women and 2 million and 700 thousand children from approximately 2,5 million families in the 5.561 Brazilian municipalities. The total share in 2001/2002 for the whole country was estimated in 3 million 567 thousand 650 hundred that was divided into 5 thousand 549 Brazilian municipalities and the Federal District. Up to November 2002 this program that met 1 million 403 thousand and 10 hundred beneficiaries, applying about 38.5 million dollars and a budget of 122 million dollars for 2003.

f) The Young Agent of Social and Human Development

The **Young Agent** is another Income Transfer Program, created by the federal government in 2001, It is directed to youngsters between the ages of 15 and 17, preferably who are out of school; who live in poor families, with a family per capita monthly income of U\$ 44,00 and are in a situation of social risk; who had participated in other social programs, such as the Child Labor Eradication Program

and the Sexual Exploitation Program; youth involved in criminal situations or contravention; who are egress or who are under protective measures or even are handicap young. In order to participate of the program the youngsters must achieve an attendance history of at least 75% in school and they must also participate in other activities developed by the program, as social community activities. The benefit is a cash transfer of about U\$ 22,00.

The objectives of the Program are the following:

- ✓ Create conditions for inclusion and permanence of the youth in the educational system;
- ✓ Integrate the youth in his/her family, community and society;
- ✓ Qualify the youngster in order for him to participate as a transformation agent in the development of his own community;
- ✓ Contribute to decrease the violence rate, drug use, Sexually Transmissible Diseases, HIV and teenage pregnancy;
- ✓ Develop actions to contribute for the integration of young people in the job market when they become detached from the program, when turning 18 years of age.

The **Young Agent** benefited 105.446 youth up to October 2002. This is a symbolic number if we consider the amount of Brazilian poor families with young people. The applied budget was almost 13 million dollars in 2002, with a prevision of a similar budget in 2003.

g) Gas Aid Program

The **Gas Aid** was created in 2002 in order to compensate poor families for the subsidy of the kitchen gas previously paid by the federal government. The initial goal was to reach about 10 million poor families with a per capita monthly income of U\$43.00 who were already participating in social federal programs. The benefit is a cash transfer of about U\$5.00 each two months. The families benefited up to November 2002 were 8.556.785, with applied resources of about 167.5 million dollars and with a prevision of about 250 million dollars in 2003.

h) Food Ticket Program

The Food Ticket is an action in the field of the Specific Policies that compose the Zero Hunger Program considered the main social priority of the Brazilian President, Luiz Inácio Lula da Silva, created to fight hunger and its structural causes. The Zero Hunger Program is a series of connected actions directed to promote the nutritional security to all Brazilians, having as its objective to fight the structural causes of poverty in the country. Those actions involve several ministries, the three level of government (federal, state and local) and the civil society.

The **Food Ticket Program** has the municipalities located in the semi-arid regions as a priority, as well as the population exposed to nutritional insecurity such as the native Indian population who live in a risky situation, people who live in the garbage areas; rural encampment and settlements, remaining communities of the hideout for runaway slaves.

The **Food Ticket** is implemented with the participation of state, municipalities and organizations of the civil society. Its benefit is a month cash transfer of U\$17.00 per family who has a per capita monthly income of U\$43.00. It is a magnetic bankcard, issued in the name of the mother, preferentially, the responsible one for the family group. The benefit can sometimes be used for special kind of food in order to meet cultural nutritional patterns of some groups; It is also used in case of natural calamity or in any other emergency situation or insufficiency of retailer food market.

The time for the family to remain in the program is of six months, extended for 1 year at the most. The number of the families to be benefited is limited to the budget disposal. What means that, like any other federal programs, the determination of cotes for each municipality prevents the reaching of those who meet the criteria for the inclusion in the Program. Therefore, this program does not focus poverty directly, but fragments it (SILVA, 2001).

It is important to consider that the cash transferred by the **Food Ticket** is associated with the development of local activities, such as nutritional education; orientations for basic health and hygienic cares; instruction for literacy and professional training. It is also articulated with structural actions, such as: agrarian reform and programs for the generation of employment and income; recuperation and enlargement of the educational substructure; irrigation and water supply; basic sanitation and improvement of roads accesses; house building and rebuilding, creation of collectives; incentive of family agriculture; construction of bathrooms and water tanks. Therefore, the objective of the program is to articulate emergency actions in order to eliminate hunger and to create conditions to eliminate poverty as well.

Over 1 million and 900 thousand families, totalizing 11 million of persons in 2,369 municipalities up to January 2004 have been benefited from the Food Ticket Program; it has been over 220 water tanks and several literacy actions for were developed, as well as the distribution of food supply for several groups of families.

As I presented above, I understand that the **Food Ticket Program** represents an important improvement in the conception and in the implementation of the Brazilian Social Policy when it proposes the articulation of compensatory actions to structural ones. However some limits can be pointed out so far, such as: the income is applied as an unique criterion to measure poverty; the transferred income is too low and insufficient to make real change in life conditions of poor families; the time to remain in the Program is also too short to make changes in families who face many handicap situations, mainly in a conjuncture of increasing on poverty and unemployment.

2.3 Family Scholarship Program: a proposal to unify the Income Transfer Programs in Luiz Inácio Lula da Silva's government

The arguments that justify and place the necessity to unify the Income Transfer Programs developed in Brazil are a diagnostic about the social programs in development in Brazil, carried out during the transition from Fernando Henrique

Cardoso's government to Luiz Inácio Lula da Silva's government, in the second semester 2002. This diagnostic points out the following aspects, among, others:

- ✓ Existence of competing and superposed programs in its objectives and in its target population;
- ✓ Lack of a general coordination of those programs, causing waste of resources;
- ✓ Lack of administration planning of those programs and dispersion of them in several ministries;
- ✓ Lack of budget to support those programs;
- ✓ Non-reaching of the target population as a whole (Brasil, 2002).

The **Family Scholarship Program** was created in October 2003 in order to surpass the above situation and to increase budget for Income Transfer Programs as well as the value of the cash transferred by those programs. The main objective is to unify the Income Transfer Programs created by local, state and federal governments to build a National Policy of income transfer to poor families. The unification was so far limited to four federal programs: School Scholarship, Food Scholarship, Gas Aid and Food Ticket Programs.

It is important to say that the proposal to unify the Income Transfer Programs in Brazil is placed in the ambit of the priority given by President Lula to fight hunger and poverty. It is seen as an evolution of those programs by its formulators because it proposes to protect the whole family group, represented by the mother, and it also proposes to raise the value of the amount of the monetary transfer to the poor families. The proposed articulation is oriented for sharing among federal, state and local governments in order to built an unique Income Transfer Program for whole the country. It must represent a step ahead in the field of the Social Policy in Brazil (FONSECA, 2003), as well as the institution of a more fair, rational and efficient program, as said the President Lula in his speech when he presented the Program to the society. It is a search for a better focalization of the target population in fighting against hunger and poverty, adjusting the focus of attention and the development of a systematic follow-up and evaluation process as well as to simplify the access to the benefits under the coordination of an Executive

Secretariat and with the participation of the other sectors responsible for the unified programs. As other Income Transfer Programs, the **Family Scholarship Program** is implemented in a decentralized way in several municipalities throughout the country. It is directed to indigent families who have a per capita monthly income around to US\$17.00 and to poor families who have a per capita monthly income around US\$34.00. The indigent families get as a benefit a fixed cash transfer of US\$ 17.00 and more US\$ 5.10 per each child up to 15 years of age, for no more than three children, so it can reach a total benefit of US\$ 27.20. The poor families get a variable cash transfer of US\$ 5.10 per each child up to 15 years of age, for the at most three children, so they can reach a benefit around US\$ 15.30. Beyond a cash transfer the **Family Scholarship** considers necessary to carry out other actions, such as instruction for literacy, professional training; support to small agricultural production; generation of jobs and income and small credit, access to education and basic health care for children. The objective is to create conditions so the poor families can reach economical and social independence. In this matter, this program points out the necessity of counterpart and conditionals to be met by the families, such as: the maintenance of the children from 7 to 15 years of age at school; frequency of child from 0 to 6 years of age to health unities for immunization; prenatal for pregnant women, participation of the adults of the families on instruction for literacy and in professional training and the participation of all family members of nutritional education.

The **Family Scholarship Program** has reached 3,6 million of families with a budget around 1.5 billion dollars in 2003 with a prevision of 1.8 billion dollars in 2004. There must be 11,4 million of families in the Program until 2006, which represents almost 50 million of people, around the total of the poor population in Brazil.

From the above conception of unification built by the authors of the **Family Scholarship Program**, developing an initial effort of problematization, I must say that the intention of unification of so many Income Transfer Programs in development nowadays in Brazil is a hopeful thought. However it is so challenge to reach this objective because there are many people and many political interests involved in this issue. Therefore it demands hard political negotiations and it also

places many questions, such as: who is the “owner” of the unified program - the Union, States or Municipalities? How to show up in this context? Who will support the new program? Besides, other questions can be placed: how to compensate the disadvantages of the poorer states and municipalities in relation to the ones with major budgets? What must happen with the municipalities that have never created a Transfer Income Program?

If these questions do not have simple answers, it is necessary to consider the following pre-conditions to allow real functionality of such unification proposal:

- ✓ The unification of the Income Transfer programs is not enough. This is just a management task. The most important issue is to build a Brazilian Social Protection System with the capacity to reach anyone who is under risk and in a vulnerable situation;
- ✓ The unification must develop a system that considers poverty as a complex problem that requires for income allocation as well as democratic social services to meet the basic needs to all citizens;
- ✓ The proposed unification demands appropriate structure in local level, because of the **Family Scholarship Program** is implemented in a decentralized way, stable enough as well as it requires qualified the professionals for implementation of the program to establish articulation with a local network of social services;
- ✓ Existence of a local network of social services to meet the necessities of the families in the program;
- ✓ Use of an adequate and efficient mechanisms to assure the focalization on the target families;
- ✓ Adoption of a functional and adequate use of the a unique cadastre of the families;
- ✓ Capacity of the program to meet all the eligible population what means real focalization on the target population;
- ✓ Local and national agile and efficient coordination;
- ✓ Warranty of an effective articulation of a monetary transfer with other social and economical policies in order to promote the life conditions and to surpass the conditions of poverty of the families.

The above picture of the Income Transfer Programs in Brazil shows that such programs have been implemented in all 5.561 municipalities around the country, reaching a large number of people and applying high level of resources. However, we must consider an important point: the necessity of better focalization on the target population. That demands to stress social programs that could be more effective and it requires as well an effective articulation between social programs and economical policy to reach economical and social development in order to change the high level of income concentration and to decrease the large number of people who are living below the poverty line. It is still a challenge to surpass the superposition and disarticulation among the Income Transfer Programs in the three levels of the government: local, state and federal levels; the insufficiency to reach the target population and to raise the monetary value transferred to the poor families, what makes it is unable to generate a significant impact on the poverty of the country. In this sense, the government started to implement a proposal for unification of all the Income Transfer Programs, as seen above, that must achieved in the adoption of a Citizenship Income to all Brazilian, as proposed by the senator Eduardo Suplicy.

3 CONCLUSIONS: possibilities and limits of the Income Transfer Programs in Brazil

I understand that the number of Income Transfer Programs nowadays in implementation in Brazil represents a heterogeneous field in its' content and traces. However, an analysis of the content of the Income Transfer Programs and the experiences in development made it possible to indicate what I consider possibilities and limits of those programs, presented as a conclusion of this paper.

a) Possibilities:

- ✓ The identified outcome and impact of the programs are: attendance of the children and adolescent to school and to health care units; decreasing school evasion; improving school learning; decreasing malnutrition rates; removing children and youngsters

from the streets; increasing the self-esteem and confidence in the future. However, low gains in the social and economical conditions of life of the benefited families are registered.

- ✓ Even if the outcome and impact of those programs in relation to surpassing hunger and poverty in Brazil are moderate, it is necessary to consider the real meaning they have to the assisted families. They can improve the total and sometimes only income that most assisted families access because these families are found in the lowest economical levels of the society;
- ✓ One must consider the potential of those programs to create a progressive condition for social inclusion for the future generations of children and youngsters of the assisted families who can go to school, to health units, to be removed from the streets and taken away from harsh labor. With these measures we can raise their self-esteem and the confidence in the future;
- ✓ Those programs can create a new administrative way to operate social agencies when they are implemented in a decentralized way, linking local, state, federal governments to the society and having as a goal to articulate compensatory (cash transfer) to structural actions, such as education, health and generation of jobs and income;
- ✓ The direct monetary transfer by magnetic bankcard gives greater freedom for the head of the assisted families to buy goods and services that they think meet their needs in a better way; they can reduce the possibilities of corruption when they need less intermediation; they can simplify the social system with reduction of the managerial costs, as well as reduce clientelist practice, which are very common in the implementation of social programs in Brazil.

b) Limits

- ✓ The major limit is related to a lack of planning and to the lack of articulation among the Income Transfer Programs themselves and

other programs, services and actions that could improve the outcomes and impacts. The improvement in the economic situation of poor families is limited by low education and other social and personal conditions of the beneficiaries themselves, because they are handicap in several ways;

- ✓ Besides, those programs have been insufficient to meet all the target population, what means an insufficient focalization even on the whole poor population;
- ✓ Very low value of the monetary transfer as a main benefit of the programs. The benefits are insufficient to develop effective impacts in the reduction of poverty, being useful just to reproduce biological life and to maintain the population in a poverty or indigence line;
- ✓ Adoption of very restrictive criteria of inclusion in those programs, followed by some criteria of priorities to enroll the families, with emphasis on situations of severe poverty. Also a very low poverty line is adopted to select the families (half of a minimum wage of the family per capita monthly income, around U\$43.00);
- ✓ Insufficient budgets, human and institutional resources to implement those programs in local level;
- ✓ Lack or inexistence of local programs to support the basic needs of the family group as indicated in the proposal of those programs;
- ✓ Limits for economical and social independence of the assisted families due to their own characteristics: structural and severe poverty, low educational and professional qualification and limited access to information;
- ✓ The nature and level of the outcome and impact made by the programs on the assisted families are so far restricted to meet basic and immediate necessities, without major changes to the standard of living of assisted families, and on the educational and public health system, and on the job market. However I consider that the time of implementation of those programs is still too short to allow us to identify deeper impact that can only be found in the

future generation such as: increase in school time of the Brazilian workers and decrease in poverty rates.

Finally, I would say that I hope that the creation of the Family Scholarship Program can go ahead in the objective of unification of all Income Transfer Programs in Brazil, surpassing the compensatory lines that have been present in the development of the social programs in Brazil. This demands the adoption of a redistribution policy of the social wealth and the creation of a national policy to articulate the social programs and their applied resources. It also requires expansion and democratization of the basic social services for all citizens; a social control of those programs by the society and above all, that the Income Transfer Programs be linked to an economical policy centered on the income redistribution and on job generation. I really hope a passage from a Minimum Income, like the one we have nowadays in Brazil, to a Citizenship Income, as proposed by Senator Suplicy, in order to have the social inclusion of all Brazilians.

BIBLIOGRAPHIC REFERENCE

- BACHA, Edmar Lisboa; UNGER, Roberto Mangabeira. **Participação, salário e voto**: um projeto de democracia para o Brasil. Rio de Janeiro: Paz e Terra, 1978.
- BRASIL. **Relatório de Governo de Transição sobre os Programas Sociais**. Brasília, 2002 (mimeo.).
- CAMARGO, José Márcio. Os Miseráveis. **Folha de São Paulo**. São Paulo, 03 mar.1993.
- _____. Pobreza e Garantia de Renda Mínima. **Folha de São Paulo**, 26 dez. 1991.
- _____. Os Miseráveis 2. **Folha de São Paulo**, São Paulo, 18 maio1995.
- DELGADO, Guilherme; CARDOSO JUNIOR, José Celso. Principais Resultados da Pesquisa Domiciliar sobre Previdência Rural na Região Sul do Brasil: projeto avaliação da socioeconômica da Previdência rural. **Texto para Discussão**, 734. Rio de Janeiro: IPEA, 2000
- FONSECA, Ana. **Discurso da Secretária-Executiva do Programa Bolsa Família**. Brasília, 2003 (divulgado pela Presidência da República/Secretaria de Imprensa e Divulgação).

SCHWARZER, Helmut. Impactos Socioeconômicos do Sistema de Aposentadorias Rurais no Brasil: evidências empíricas de um estudo de caso no Estado do Pará. **Texto para Discussão**, 729. Rio de Janeiro, IPEA, 2000

SILVA, Maria Ozanira da Silva. **Renda mínima e reestruturação produtiva**. São Paulo: Cortez, 1997.

_____. (coord.). **A Política Social Brasileira no Século XXI**: a perspectiva dos Programas de Transferência de Renda. São Paulo: Cortez, 2004 (in press).

SILVEIRA, Antonio Maria da. Redistribuição de Renda. **Revista Brasileira de Economia**. Rio de Janeiro, Fundação Getúlio Vargas, v. 29, n.2, abr./jun 1975.

SUPLICY, Eduardo Matarazzo. **Renda de Cidadania**: a saída é pela porta. São Paulo: Cortez, 2002.