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Protests in Brazil: Successes and failures in national efforts to fight poverty in Brazil

nopoor
Conference Flash
Rio de Janeiro
June 28, 2013:

»New forms of fighting against poverty: the Brazilian experience«

It is the middle class in Brazil who carries the current protests, a new middle class that has developed since the early 1990's due to Brazil's successfully applied national policies to fight poverty in the country. Some 30 million Brazilians are estimated to have escaped poverty in the last decade.

The new EU research project *nopoor* took up this topic in a public round table in Rio de Janeiro last week, bringing together Brazilian policy makers and experts from local NGOs with poverty researchers from four continents. What are successes and failures in fighting poverty in Brazil? Which challenges remain? What are next steps in improving pro-poor policies?

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Key speakers at the round table:

- Xavier Oudin, Coordinator EU project *nopoor*
- Paulo Jannuzzi, National Secretary, Minister of Social Affairs
- Washington Rimas, NGO Afroreggae
- Pedro Paulo Carvalho Teixeira, Secretary Chief of Government at Municipality of Rio
- Luiz Sergio Machado, CrediAmigo, Banco do Nordeste

»Wherever poverty persists, there is space for improved policies.«

Xavier Oudin, Scientific Coordinator



From left to right: Washington Rimas, Xavier Oudin, Joao Saboia, Paulo Jannuzzi

Presentations and debate



The »Carioca Family Card«: support for the poorest inhabitants of Rio



Washington Rimas presenting the work of »AfroReggae«

- **Unemployed young people, living in slums: Poverty in the city of Rio de Janeiro and municipal programmes to fight it**

Amongst the 6 million inhabitants in the city of Rio de Janeiro, more than 20 percent still live in poverty. There were nearly no improvements in the last ten years – instead, there is an increase in income inequality, with huge differences related to income between neighbourhoods: In Rio's Southern areas, people earn seven times as much as residents in the Western district of Santa Cruz. The number of young people who neither study, nor work, nor are looking for work increased significantly. Every fifth person in the city lives in a slum.

In response, the city of Rio de Janeiro carries out social programmes to fight extreme poverty and extreme income inequality in the city, especially for young people in slum areas/favelas: such as the programmes »Schools of tomorrow«, »Mothers Love«, and »Carioca Family Card«.

- **A rebirth of hope within Rio's favelas: The Brazilian NGO »AfroReggae«**

The AfroReggae Cultural Group has been recognized as one of the most pioneering NGOs in the world, and their work in restoring hope and peace to the favelas of Rio has changed many lives for the better through art and culture activities. The NGO as an organization believes in the transformative power of the arts, acknowledges the great divide between favelas and the rest of the city and aims to achieve social equality by building positive bridges, largely via socio-cultural activities. It primarily seeks to involve the young population of the communities with cultural, artistic and educational programmes, contributing to their development as citizens and helping them gain self-esteem and avoiding gang life. Their largest cultural center is located in a favela called Vigário Geral, which used to be called the »Brazilian Bosnia« because of its violence levels. <http://www.afroreggae.org> (in Portuguese) <http://www.favelarising.com>

- **The Brazilian national social programme »Bolsa Família«: Successes, challenges and failures**

The nationwide Brazilian social programme »Bolsa Família« is a Conditional Cash Transfer Programme (CCT). Such programmes provide direct monetary benefits to poor families, in exchange for children attending school, regular medical checkups, and other incentives to promote the educative, nutritional, health, and social development of families, and particularly of children. CCTs have taken a focal role in poverty alleviation and, in many Latin American countries, are the main governmental strategy for breaking the inter-generational cycle of poverty.

After 10 years of its launch in Brazil, multiple evaluations of the



»Bolsa Família«: the centerpiece of former President Lula da Silva's social policy

»Bolsa Família« have shown that the programme is improving the conditions of those who live in poverty in Brazil. It has helped to reduce gaps in income distribution, to reduce child labour, and to improve the nutritional and educational status of children, especially in rural areas.

However, two main challenges remain: One, to improve the quality of social services provided in several communities. In many cases, children who receive the monetary benefit attend low-quality schools and receive questionable health care, making them remain in a disadvantaged position, in contrast to children who live in better-off households.

And two, to improve the coordination between CCTs and labour market policies. If CCTs do not go hand-in-hand with labour market policies, many of the investments in children's health and education will not be translated into better employment opportunities in the future. In that sense, CCTs would not be fulfilling their purpose of breaking the cycle of poverty from one generation to the next one. <http://www.mds.gov.br/bolsafamilia>

- **Is micro credit a valuable instrument for fighting poverty in rural areas in Brazil, especially in the Northeast where poverty continues to persist in an extreme way?**

The experience from the Brazilian Banco do Nordeste highlights an interesting debate on the role of the public sector offering micro-lending in Brazil. The Brazilian »CrediAmigo«, Banco do Nordeste's micro credit programme, continues to grow, reaching 1.6 million »clients«, many of them living in poverty. The bank, which is 90% public and 10% private, has successfully reduced annual interest rates charged to 12% (in comparison to the 6% monthly interest rate in Mexico, for example). This achievement is the result of the bank being able to obtain financing from a public development fund (taxpayer's money) at 3% annually and to train promoters to go out in the field to serve poor people. Concerning the income poverty line, the bank states that it has helped 60% of the clients to generate the necessary income resources for basic livelihood needs – not a bad use of public money after all. According to the bank officials, the European Union could help micro credit programmes by providing managerial training to the poor.

<http://www.banconordeste.gov.br/crediamigo>



Two clients from »CrediAmigo«



***nopoor* Research countries**

Africa:

Benin, Burkina Faso, Ghana, Cote d'Ivoire, Madagascar, Mali, Niger, Nigeria, Senegal, South Africa, Togo

Asia:

India, Nepal, Sri Lanka, Vietnam

Latin America:

Brazil, Chile, Ecuador, Haiti,

Mexico, Peru

Five years of research, four continents, one vision

The research project *nopoor* aims at strategies that lead developing and emerging countries out of poverty. Over a period of five years, scientists from all over the world work together in this most relevant EU research programme dedicated to fighting poverty in Africa, Asia and Latin America.

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