

# Targeting and Coverage of the Bolsa Família Programme: Why Knowing What You Measure is Important in Choosing the Numbers

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# How Bolsa Família Works

- Municipalities receive Single Registry (CadÚnico) forms and go headhunting for the poor.
- They headhunt in varied forms: from self-declaratory to highly verified; from active to passive.
- From the point of view of the Federal Government, all CadÚnico is self-declaratory.
- The information is fed to CEF, who then passes it on to the Ministry.
- The Ministry applies the PBF criteria and select beneficiaries.
- The benefits are paid for **two** years and then re-evaluated.
- Problem: PBF is not an entitlement and thus quotas or targets are necessary.

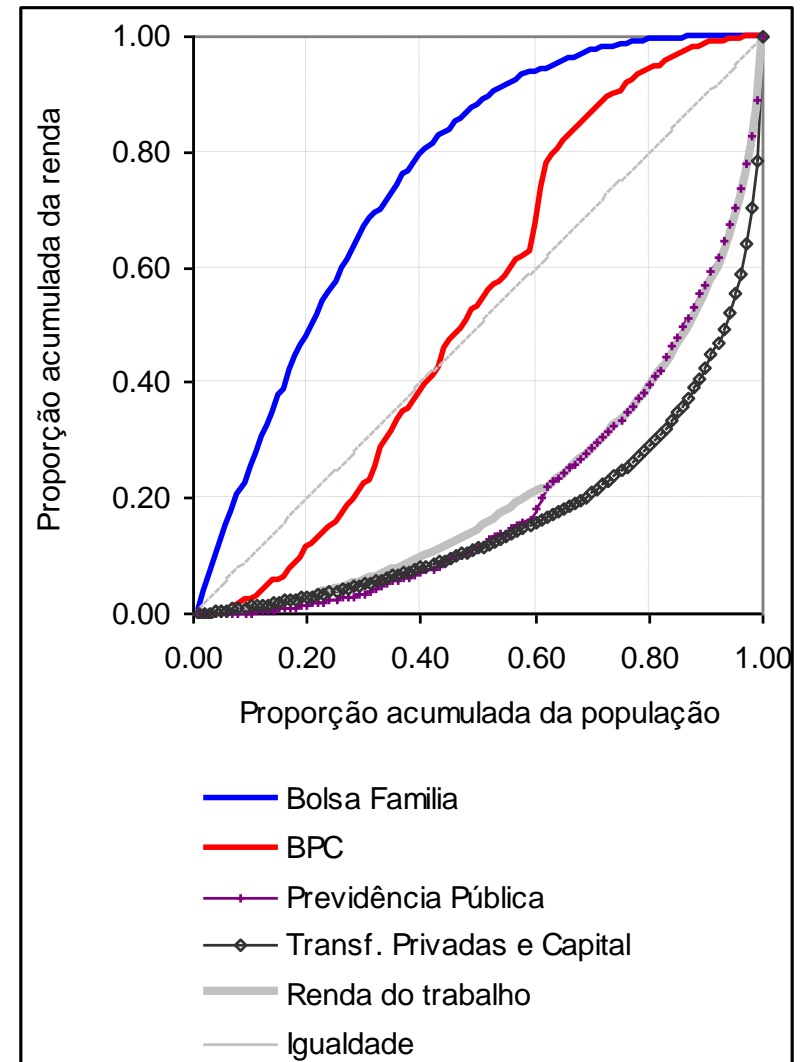
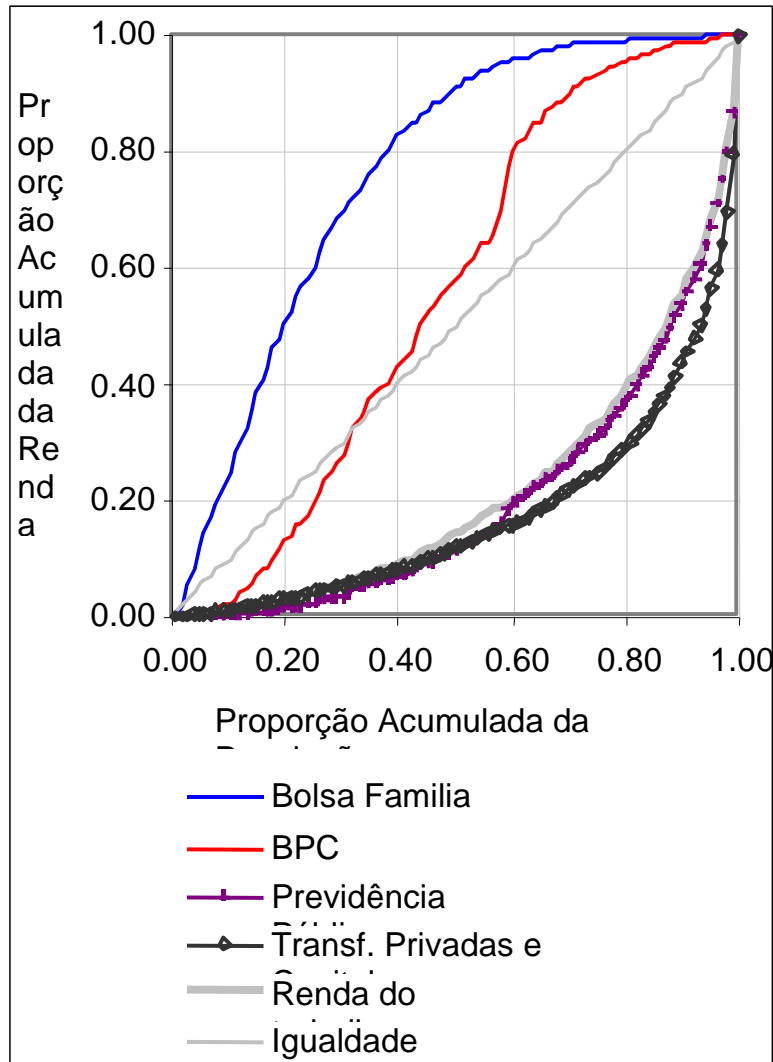
# How Big is Bolsa Familia (and BPC)?

Bolsa Família			
Criterion	2004	2006	Change
Number of families (Cad Único) (millions)	9,0	11,1	2,1
Number of families (Pnad) (millions)	6,3	9,0	2,7
Percentage of families in Brazil (Pnad)	12,5	16,8	4,3 p.p. <sup>a</sup>
Number of people (Pnad) (millions)	31,7	42,7	10,9
Percentage of Brazilian population (Pnad)	17,9	23,4	5,4 p.p.
Percentage of total family income (Pnad)	0,49	0,69	0,20 p.p.
Percentage of GDP (Siafi/Sidor)	0,30	0,35	0,05 p.p.
Benefício de Prestação Continuada			
Criterion	2004	2006	Change
Number of families (Cad Único) (millions)	2,0	2,4	0,5
Number of families (Pnad) (millions)	0,7	1,2	0,5
Percentage of families in Brazil (Pnad)	1,5	2,2	0,8 p.p.
Number of people (Pnad) (millions)	3,1	4,7	1,6
Percentage of Brazilian population (Pnad)	1,8	2,6	0,8 p.p.
Percentage of total family income (Pnad)	0,28	0,53	0,24 p.p.
Percentage of GDP (Siafi/Sidor)	0,30	0,41	0,12 p.p.

# Concentration Curves for Income Sources

Panel 1 – 2004

Panel 2 - 2006



## Relative Size and Concentration Coefficients of Income Sources

	2004	2006	$\Delta$ (p.p.)
Gini ( <i>per capita</i> household income)	0,569	0,560	-0,010
Income Component			
Concentration Coefficients			
Labour income	0,567	0,563	-0,004
Public pensions	0,598	0,578	0,039
Capital income and private transfers	0,649	0,654	-0,013
Targeted social transfers	-0,373	-0,307	0,058
BPC	-0,111	-0,054	0,002
Bolsa Família	-0,524	-0,498	0,002
Weight in Total Income			
Labour income	76,5%	76,0%	-0,0047
Public pensions	18,0%	17,9%	-0,0012
Capital income and private transfers	4,8%	4,9%	0,0015
Targeted social transfers	0,78%	1,22%	0,0044
BPC	0,28%	0,53%	0,0024
Bolsa Família	0,49%	0,69%	0,0020

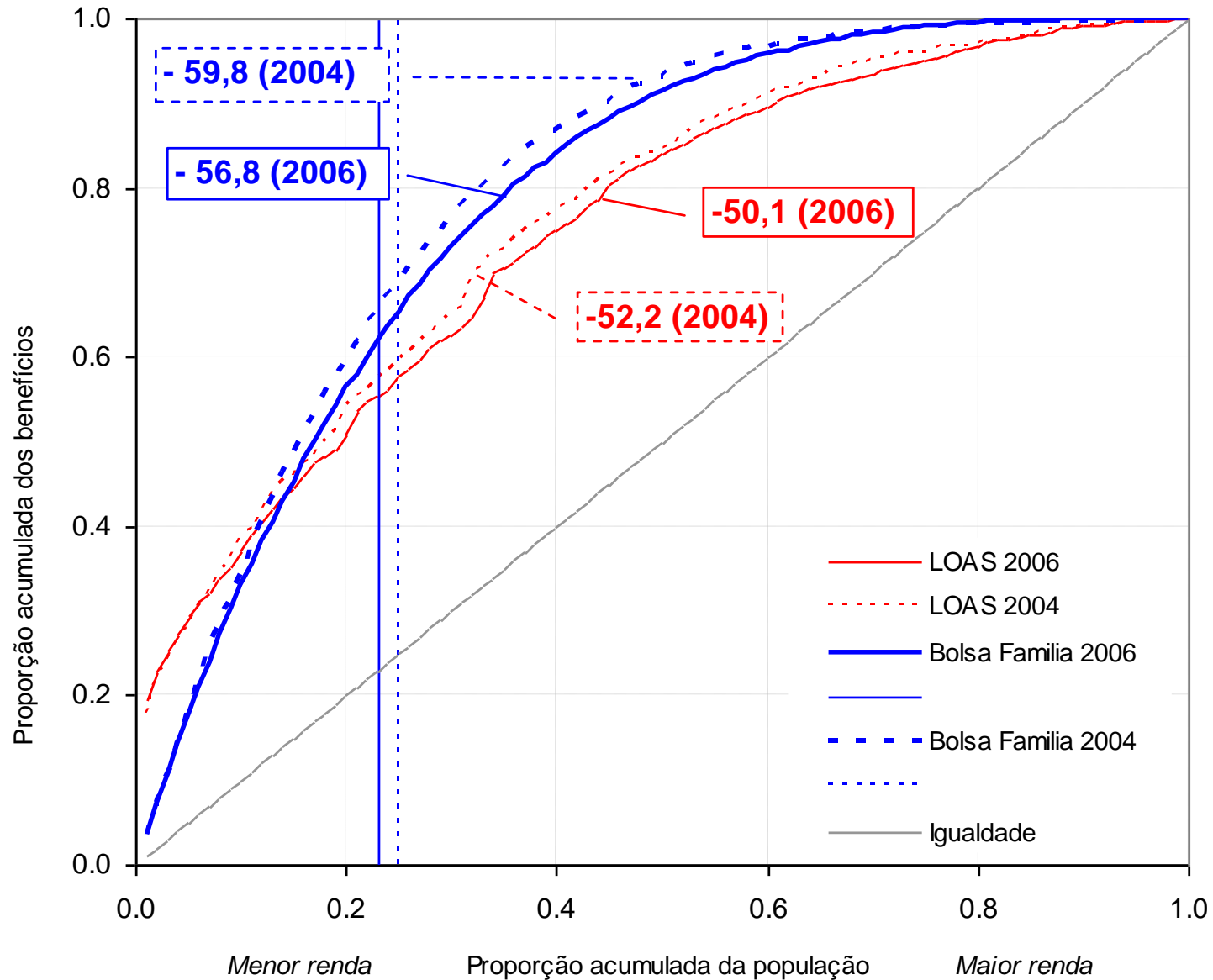
## Decomposition of Inequality Change Between 2004 and 2006

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Income Component	Concentration Effect	Relative Size Effect	Total Effect
Labour income	-0,0003	-0,3069	-0,3072
Public pensions	-0,0029	-0,3536	-0,3565
Capital income and private transfers	0,0133	0,0241	0,0374
Targeted social transfers	-0,4003	0,0659	-0,3343
BPC	-0,1560	0,0233	-0,1327
Bolsa Família	-0,2167	0,0150	-0,2017
Total	-0,3626	-0,5980	-0,9606

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# BPS and PBF Incidence Curves in 2004 and 2006



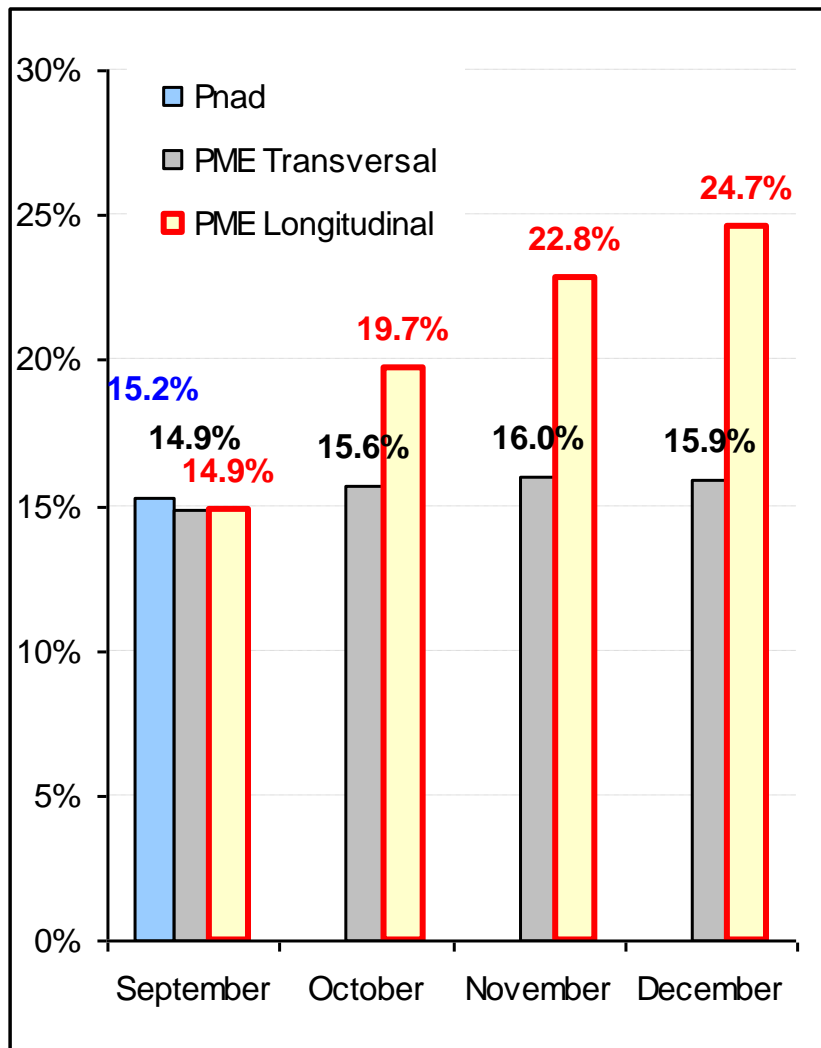
# Bolsa Família Targeting (hit/miss)

	People			Families		
	Non eligible	Eligible	Total	Non eligible	Eligible	Total
2004						
Among all						
PBF non beneficiary	70,1	12,0	82,1	77,9	9,6	87,5
PBF beneficiary	7,0	11,0	17,9	5,3	7,2	12,5
Total	77,0	23,0	100,0	83,2	16,8	100,0
Among only beneficiaries	38,8	61,2	100,0	42,5	57,5	100,0
	People			Families		
	Non eligible	Eligible	Total	Non eligible	Eligible	Total
2006						
Among all						
PBF non beneficiary	68,6	8,0	76,6	76,6	6,6	83,2
PBF beneficiary	10,5	12,8	23,4	8,3	8,5	16,8
Total	79,2	20,8	100,0	84,9	15,1	100,0
Among only beneficiaries	45,1	54,9	100,0	49,2	50,8	100,0

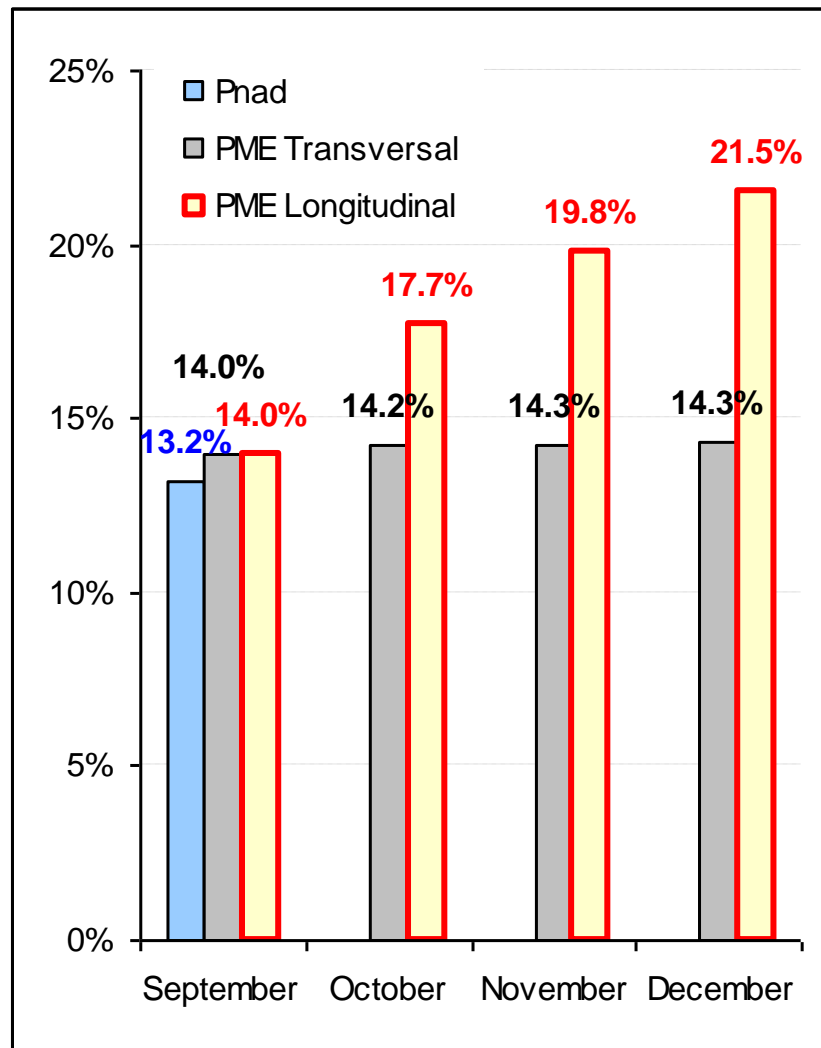


# Longitudinal and Transversal (Cross-section) Poverty

## 2004



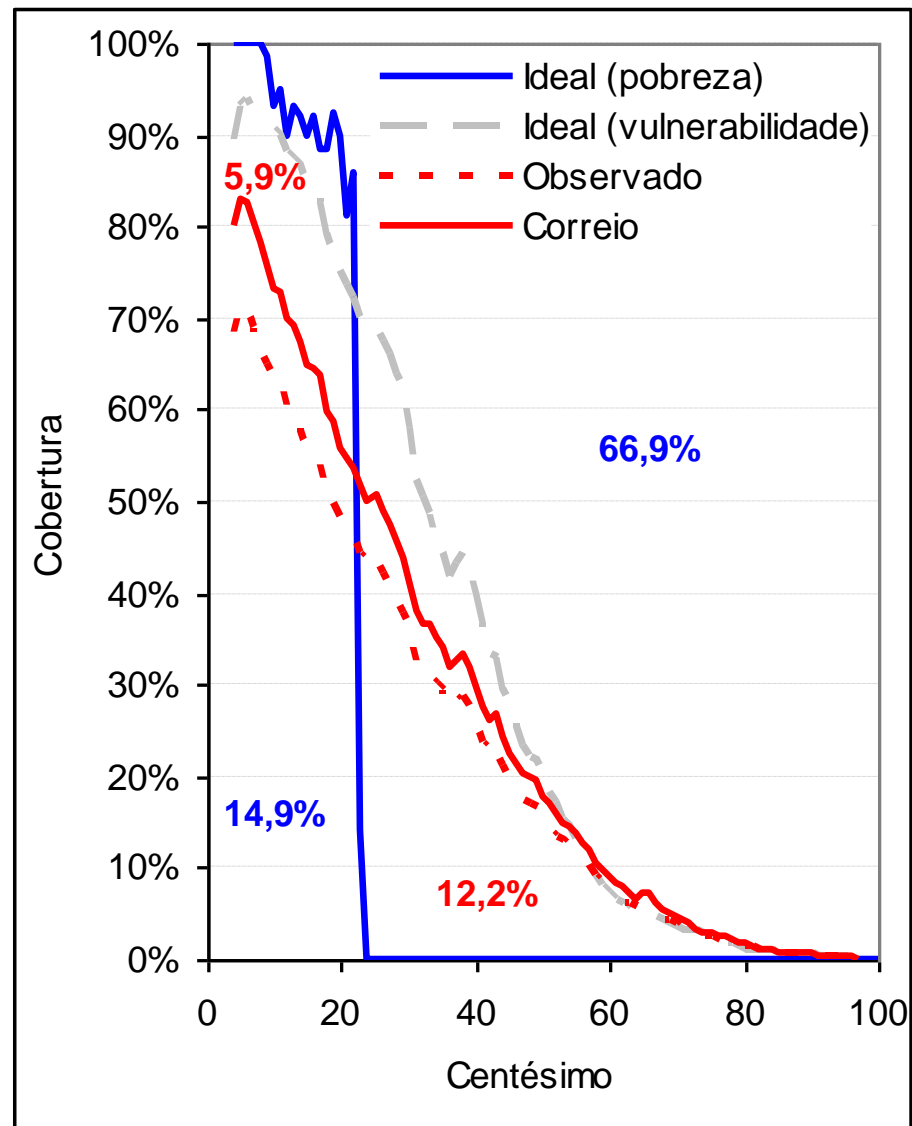
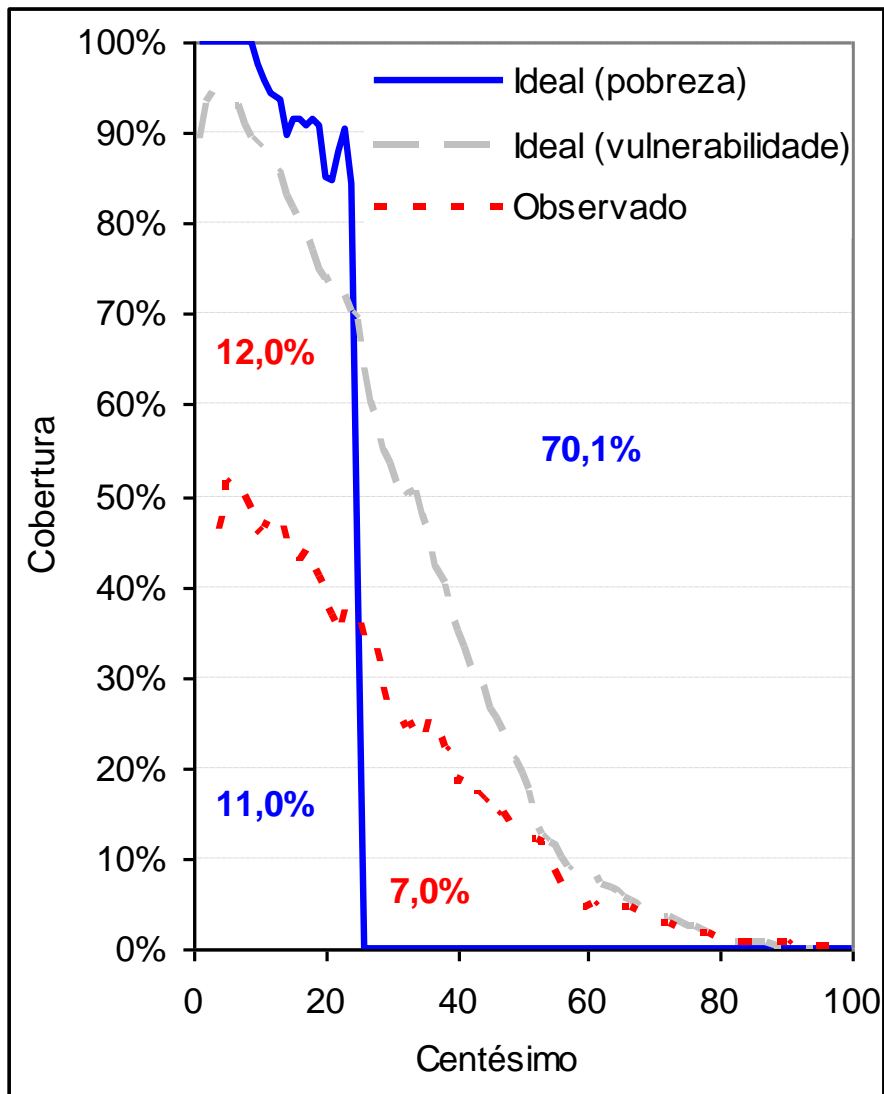
## 2006



# PBF Cross-Sectional (Transversal) Coverage by Income Centile

2004

2006



# PBF Marginal Targeting Estimate

