

## Chapter 4 Challenge to Develop a Social Security for All the People

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# Chapter 4

## Challenge to Develop a Social Security for All the People

*RYOHEI KONTA*

### Introduction

Brazil is characterized by its richly diverse society, with a highly multicultural population and distinct features across its many regions, which span an area about 23 times larger than Japan. In the meantime, Brazil's inequality and income disparity are also globally recognized, with slums (*favela*) serving as one example of the country's problems with poverty and public security. Beginning mainly at the start of the 21<sup>st</sup> century, however, Brazil has worked to address these problems of poverty and income inequality. These changes were achieved after Brazil's political democratization with the end of its military regime in the 1980s and its macroeconomic stabilization in the 1990s, which made the implementation of large-scale social policies possible. Such continuity of development in different areas is one of the bases upon which Brazil emerged in the beginning of 21<sup>st</sup> century as the "New Brazil", an institutionally transformed nation [Roett 2010; Fishlow 2011; Konta 2013]. But now, after the countrywide protests of 2013, the recent economic slowdown, the presidential and general elections of 2014, and the start of Rousseff's new administration in 2015, we can recognize Brazil as a "Post-New Brazil".

In this chapter, which focuses on Brazil from a social perspective, I will discuss some of Brazil's new social changes based on the main points of the previous studies on the New Brazil presented in the Introduction. For this, I consider a key point in Brazil's social change to be the adoption of the 1988 Constitution, which advocates for the universalization of social security for all Brazilians. I also consider turning points in the development of principal institutions and laws established in education, health, pension, and social assistance. I will trace the recent changes in social policies in Brazil, which have prioritized the development of universalistic systems and more recently of targeted programs.

I overview and provide some social indicators for the changes in Brazilian society, briefly explain the 1988 Constitution—which I consider to be a turning point for social change—and conclude with the status of development in the four areas

mentioned previously. In the final section, I examine the nationwide protests and consider the new changes to Brazilian society, based on social expenditures and the opinion polls.

## 1. Recent Changes in Brazilian Society

Some social indicators in Brazilian society have been improving, especially with a pronounced downward trend in poverty in recent years [Table 1].

**Table 1. Changes of Social Indicators on Brazil: 1981-2013 (biennial)**

Year	Enrollment ratio age 7-14 (%)	Average of years of education <sup>1</sup>	Infant mortality rate <sup>2</sup>	Life expectancy at birth (years)	Cover ratio of pension etc.(%) <sup>3</sup>	BPC/RMV recipient <sup>4</sup>	Population in poverty <sup>5</sup>	Poverty rate (%)
1981	75.5	3.8	73.1	63.1	-	1,191,268	47,848,385	40.8
1983	79.9	4.0	67.1	63.8	84.2	1,232,788	59,922,702	48.7
1985	81.5	4.3	61.9	64.5	86.6	1,309,564	54,842,342	42.0
1987	83.1	4.5	57.4	65.3	87.7	1,367,447	50,572,491	38.7
1989	83.7	4.7	53.4	66.1	89.6	1,357,987	56,002,948	41.4
1991	-	-	49.4	66.9	-	1,355,869	-	-
1993	83.5	5.1	45.1	67.7	94.3	1,257,701	60,944,462	43.0
1995	85.9	5.2	40.3	68.5	94.8	1,203,285	51,784,426	35.1
1997	89.1	5.5	35.5	69.2	94.6	1,688,511	53,449,663	35.2
1999	93.0	5.7	31.0	69.9	94.6	1,918,297	56,183,285	35.3
2001	96.5	6.0	26.9	70.6	93.3	2,086,503	58,963,230	35.1
2003	97.2	6.3	23.5	71.2	93.5	2,312,711	61,814,129	35.8
2005	97.3	6.5	20.4	71.7	93.0	2,775,940	56,032,401	30.8
2007	97.6	6.9	17.8	72.3	91.9	3,080,821	46,706,214	25.4
2009	98.0	7.2	15.6	72.8	92.5	3,489,242	40,066,020	21.4
2011	98.5	7.4	13.7	73.3	-	3,849,895	34,355,298	18.4
2013	98.6	7.7	12.3	-	-	4,165,956	28,698,598	15.1

Source: Infant mortality rate and Life expectancy at birth are from World Development Indicators by World Bank, and the others are from IPEA data.

Note:

- 1) People with age over 25.
- 2) The number of infants dying before reaching one year of age, per 1,000 live births in a given year.
- 3) The percentage of people with age over 60 who receive direct or indirect social insurance.
- 4) From 1993 the number is the recipients of BPC or RMV and before it is the estimated number based on MPS [2009].
- 5) The number of people in household with household income per capita below the poverty line. The poverty line considered here is double of the extreme poverty that is an estimated value of a food basket with the minimum calorie necessary to feed adequately one person, with recommendations of FAO and WHO.

The enrollment of children aged 7 to 14 in Brazil's compulsory primary education has reached 98.6% in 2013<sup>1</sup>, and the average years of education has increased

<sup>1</sup> From 6 to 14 years old after 2006, when the primary education was changed from 8 years

from 3.8 in 1981 to 7.7 in 2013. Although some students fail or drop out, recently almost all children at least enter school, and many complete the compulsory education. Infant mortality has improved from 73.1 in 1981 to 12.3 in 2013, and the life expectancy at birth has increased from 63.1 in 1981 to 73.3 in 2011. One of the main factors of this improvement is the development of the free and universal public health care system, as well as the progress of medical science and technology. With regard to social security, the pension cover ratio of Brazil's elderly (defined as 60 years and older), hovers at a little more than 90% after the 1990s. For social assistance, the beneficiary of BPC (described later) as one of the main schemes for poor elderly and deficient people has been gradually increasing. Therefore, almost all elderly people in Brazil, including poorer individuals, are covered by social security systems.

The pace of the reduction in poverty was slower in the second half of the 20<sup>th</sup> century. From 2003, however, poverty alleviation became prominent, with Brazil's Gini coefficient falling to 0.495 in 2013 [IBGE]. The poverty and inequality, which were an unfortunate characteristic of Brazilian society, improved at the beginning of the 21<sup>st</sup> century, and this point demonstrates the recent change of Brazil's society. Some contributions for this positive change can be the recent institutionalization of universal social security systems and the implementation of targeted social programs.

## **2. Universalization of Social Security**

### **2.1. 1988 Constitution as a Turning Point**

In Brazil after the First World War, the injection of state funds towards social security began, but its subject was limited to certain formal sectors such as public body and principal industries. That is to say, the majority of the people, including workers in the informal sector, were outside the scope of the national social security system. Furthermore, a socio-economically unequal society was built and maintained under the military government for 21 years until 1985, due to the excessive economic intervention and the strong intrusion into individual rights by the military state.

Based on this past history, the new 1988 Constitution, or "Civil Constitution", aimed to form a new political, economic, and social order in keeping with the demands of the people. Title eight of the 1988 Constitution, which concerns social order, sets

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starting from age 7 to 9 years starting from age 6.

social welfare and social justice as goals and stipulates that universal social security is a right of the people and responsibility of the government. One specific measure in the Constitution is the setting of the lower limit for pensions and social assistance to be equal to the official minimum wage<sup>2</sup>. Although the minimum wage in Brazil is far from adequate for a family, it was significant that the Constitution guaranteed a life equivalent to the minimum wage, because prior to the 1988 Condition, many people had been living with even less than the minimum wage.

The “popular amendment” (*emenda popular*), a participatory measure, was adapted in the writing of the 1988 Constitution, resulting in the demands of various social groups being included, with the clear intention that the people elaborate their own constitution. Despite the requirement that popular amendments must gather more than 30,000 qualified voter’s signatures before being considered, a total of 122 proposals was brought before the Constitutional Congress [Yatani 1991, 8-14]. The 1988 Constitution, established with the participation of many people of diverse social classes, set up the universalization of social security for citizens, including those who had previously not been covered by the formal social security net. Based on the 1988 Constitution, several new laws and policies were enforced in the social area from the 1990s, which contributed to the Brazil’s recent social development, including its reduction in poverty. In this way, the new Constitution marked a comprehensive turning point for the social area.

## **2.2. Turning Points and Developments in Specific Areas**

In this section, I outline the new institutions, policies, and laws in education, health, pension, and social assistance. They marked turning points for their recent changes after the adoption of the 1988 Constitution, which pursued the universalization of social security in Brazil.

### **2.2.1. Education**

Compulsory education in Brazil comprises elementary school (nine years from ages 6 to 14). The education system also contains preschool kindergarten, secondary school (three years from ages 15 to 17), university and graduate school, and further

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<sup>2</sup> R\$ 788 per month revised in January of 2015, approximately US\$ 293 according to the exchange rate in January 2015.

special education, such as vocational and literacy education. Brazilian public elementary education had been virtually free of charge since its inception, but this state funding for education was expanded to all public schools, including secondary and higher education, by the Constitution promulgated in 1969. As of 2011, 125,081 (85.5%) elementary schools were public and 21,160 (14.5%) were private, 19,153 (71.1%) secondary schools were public and 7,791 (28.9%), and 284 (12.0%) schools for higher education were public and 2,081(88.0%) were private [INEP].

For education in Brazil, which has progressively improved in recent years (as shown by various quantitative metrics), 1996 was a turning point in improvement. In this year, the Organic Law of Education (established in 1961) was revised to make municipal governments responsible for elementary education, state governments for secondary education, and national government for higher education, in relation to the decentralization promoted by the 1988 Constitution. In addition, the National Fund for Primary Education Development and Improvement of the Teaching Profession (FUNDEF) was founded to enhance the institution of elementary education. Former president Fernando Henrique Cardoso's administration (1995–2002) prioritized work to develop elementary education. The Cardoso administration implemented on a nationwide scale the *Bolsa Escola* program, which was launched in 1994 by select local governments and supported children of low-income families through cash benefits. The administration also made efforts to develop other areas of education, such by introducing the non-compulsory National Examination for Secondary Education (ENEM) in 1998 and the establishment of additional private universities.

Former president Luiz Inácio Lula da Silva's administration (2003–2010) worked to develop higher education. The Lula administration set up scholarship programs for universities such as *ProUni* (University for All Program) for low-income students in 2004, establishing more public universities, and linking the ENEM with the university entrance examination in 2009. One of the Lula administration's biggest achievements, however, is the quantitative improvement of elementary and secondary education by the *Bolsa Família* program (described later) that integrated *Bolsa Escola* with other cash transfer programs in 2003. The Dilma Rousseff administration (2011–), the successor to the Lula administration, also embarked toward fostering qualified personnel by implementing the Science without Frontiers (*Ciência sem Fronteiras*) overseas study assistance program in 2011.

There are several issues concerning education in Brazil. One that can be easily pointed out is the difficulty of promotion. To go on to the next grade in school, students

must meet certain conditions such as testing and attendance. The promotion rate of primary education and secondary education was 87.6% (fail 9.6%, dropout 2.8%) and 77.4% (fail 13.1%, dropout 9.5%), respectively, in 2011, indicating the severity of the problems posed by both failing and dropout. There is also a disparity in these rates between public and private education. The promotion rate of public elementary schools was 86.7% compared to private ones at 96.3%, and that of public secondary schools was 75.0% compared to private ones at 93.4% [INEP]. These data show that public schools have more problems of quality than private schools. This means that even though there are a large number of public schools established through governmental assistance, they cannot necessarily be relied on to dramatically improve students' academic ability.

The disparity between public and private schools also causes mismatch between elementary/secondary education and higher one. In Brazil, public higher education is free and generally of high level, but there are an extremely limited number of such institutions compared to elementary/secondary ones. If students wish to pass the entrance examinations for public universities, it is almost a prerequisite to study in private elementary and secondary education schools, which are scarcer and more expensive, because public schools generally have lower-quality education. Despite the government's supporting various public schools and ensuring they are free and numerous, Brazilian education still has many areas that it must improve in [Tamura 2004; Carvalho Filho 2008; Fishlow 2011].

### **2.2.2. Health**

Implementation of the free public health care system, called the Unified Health System (SUS) was a decisive turning point for healthcare in Brazil. Before the SUS, the public and private health insurance systems in Brazil were intended for people employed in the formal sector and those with more money, and many people therefore had limited or virtually no access to health care services. The SUS, whose creation was stipulated by the 1988 Constitution, was actually established by the Organic Health Law in 1990. The SUS, deeply related to the decentralization that attempted in Brazil since the 1990s, has proceeded with repeated trial and error. This has taken place mainly at the local level, where the SUS is needed more for attending to local patients and residents, meanwhile, the system's governability remains relatively low. About 80% use the SUS exclusively, and most people use the SUS in some way, because the health care services covered by the SUS are present in part at private health intuitions [DataSUS].

After Brazil established the SUS, basic services including preventive medicine were preferentially developed, because many people prior to that point had not been able to enjoy even basic services. Furthermore, dissemination of preventative medicine was thought to lead to health promotion and an overall reduction in medical care cost. As a part of the SUS, the Community Health Agent (ACS) program was set up in 1991. ACS is a participatory policy wherein local residents with health care training work towards the basic health management and promotion of local communities. ACS was integrated in 1994 into the Family Health Program (PSF), which is composed of teams employing more advanced medical technologies. Brazil also attracted global attention in 1996 when it began a program to start domestic production and free distribution of generic anti-AIDS and -HIV drugs, giving greater priority to human rights and human life over pharmaceutical companies' patent rights.

However, certain qualitative problems exist in the services that SUS provides. The free health care service for all was established and distributed, but in fact significant time and effort is required to receive necessary treatments, which can be insufficient for restoration of health. One of the causes of this problem may be the lack of financing for SUS. Brazil used to have a provisional tax exclusively for the enforcement and maintenance of SUS, however, this tax was abolished in 2007 because these funds had been diverted to non-healthcare fields. Therefore, the road to improving the quality of the SUS can be tough as the program lacks financial resources.

The problems of SUS are that public health care institutions give disparate services compared to those provided by private medical insurance. To provide some context, 37.3% of general hospitals (5,206 facilities) are public while 62.7% are private, 99.2% of health centers (10,795 facilities) are public while 0.8% are private, and 1.3% of clinics (124,861 facilities) are public while 98.7% are private in 2012. This is to say that basic services are more established at public facilities, and specialized and high-technology services are concentrated more at private institutions [DataSUS]. In many cases it is necessary to take out a private medical insurance plan to use private health care facilities and services, but these plans are generally expensive. Therefore, the percentage of people with private medical insurance remains at about 25% [Paim et al. 2011, 1786].

In Brazil, the development of the SUS theoretically established a society where everyone can enjoy all health care services. But in reality, the quality and quantity of services still depends greatly on whether individuals have private medical insurance or not. And currently, few people have such insurance [Hamaguchi 1997; Paim et al. 2011;



Fishlow 2011].

### **2.2.3. Pension**

As described earlier, the pension coverage in Brazil is very high. Therefore, in recent years the pension sector has focused on correction of disparities between private and more privileged public sectors as well as in universality. From this point of view, two turning points in the pension system can be seen. One is the “rural pension” (*aposentadoria rural*), which contributed greatly to pension spread in rural areas where poverty is more serious, and another is the pension reforms by the Cardoso and Lula administrations.

From the perspective of universalization, and based on the 1988 Constitution that established minimum wage as the lower limit for receiving a pension, the rural pension is noteworthy in guaranteeing a minimum wage for elderly poor people in rural areas, where the pension system had not yet been implemented. The rural pension gives an amount equivalent to minimum wage to men age 60 and older and women age 55 and older who do not have premium payment and who can prove their engagement in agriculture for more than 15 years. There had previously been a pension program since 1971 intended for agricultural workers, named the Rural Assistance program (*Prorural*), but only men were eligible and they had to pay an insurance premium. Moreover, the benefits were low, equivalent to half of minimum wage. In 1992, *Prorural* was modified as the rural pension. Applications for the rural pension were open until 2010 and are now closed, with pensions to enrolled persons being currently paid. Because poverty in rural areas was more severe than in urban areas due to the large number of workers in the informal sector and lack of pension access, the rural pension had a large effect on poverty alleviation in rural area.

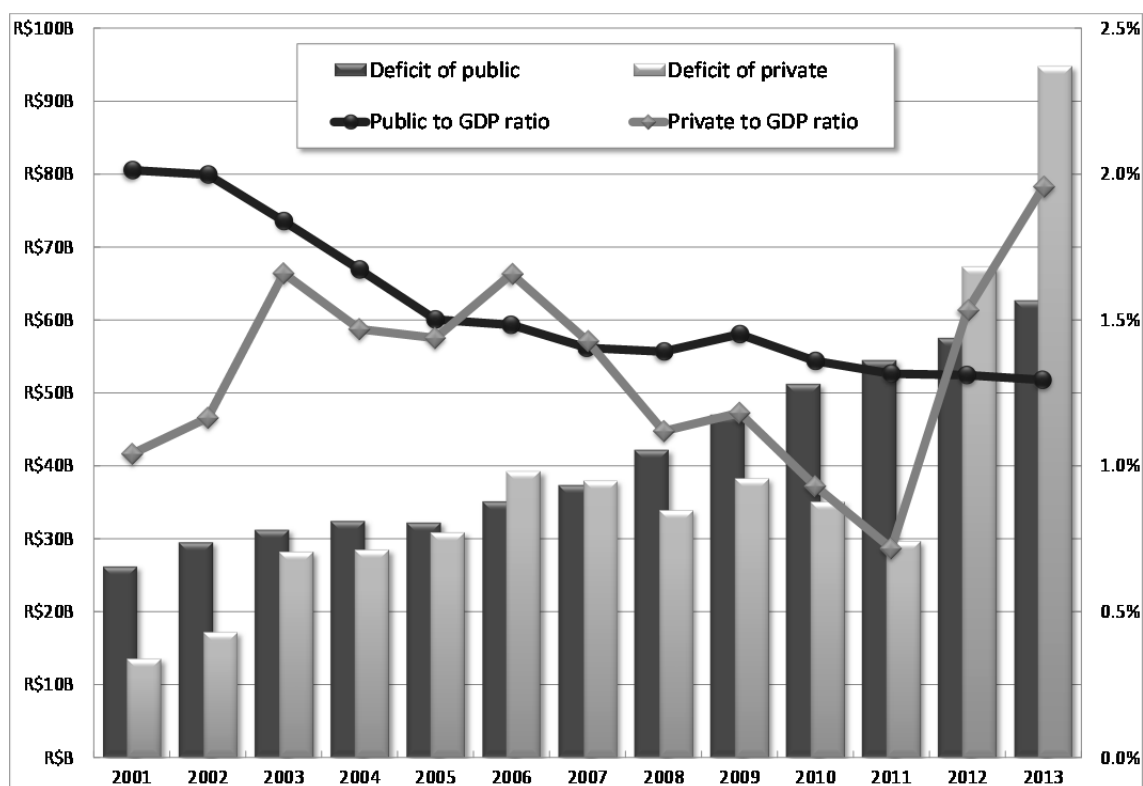
There are two examples of public servant pension reforms that illustrate the correction of the disparity in pensions. The first reform was by the Cardoso administration, including a reform for private sector workers. The second was by the Lula administration, which carried out the reform to realize the social justice established by the 1988 Constitution and to cope with the financial crisis in pensions. The 1999 reform by the Cardoso administration mandated the revision of certain qualifications, such as a premium payment (10–25%), which had previously not been required, and the change in the number of years on duty needed to receive premium payments (men: 35 years; women: 30 years). The 2003 reform by the Lula administration realized such as

the increase of the minimum age (men: 60 years old; women: 55 years old) and the collection of insurance premiums from the retired.

One of the problems in this sector is the increase in the deficit of the pension [Figure 1]. With the effects of the two pension reforms and also the high economic growth of the Lula administration, deficits for public and private workers remained stable in terms of both absolute amount and relative to GDP until the end of the 2000s. In more recent years, however, the pension deficits of the two sectors have been growing, especially the private sector, while the economy stagnated. Brazil's pension is basically a pay-as-you-go system. It covers its funds with the insurance premiums mainly paid by the currently employed generations, and the deficit is compensated by the government.

Nonetheless, the percentage of elderly people aged 60 and older increased from 5.1% (4.72 million) of the total population in 1970 to 10.8% (20.59 million) in 2010. At the same time, the percentage of young people aged 14 and younger decreased from 42.0% (39.13 million) in 1970 to 24.1% (45.93 million) in 2010 [IBGE]. This means that Brazil is seeing accelerated demographic aging. Considering this situation, further reform of the pension system is required [Koyasu 2001; Hamaguchi & Konta 2004; Fishlow 2011].

**Figure 1. Changes of Pension Deficit and Percentage-to-GDP ratio of Public and Private Workers**



Source: Tesouro Nacional [2002-2011].

Note: The deficit is left axis, and the percentage-to-(pre-revised) GDP ratio is right axis.

#### 2.2.4. Social Assistance

The Organic Law of Social Assistance (LOAS) in 1993 can be mentioned as a turning point in the social assistance sector. This is because LOAS was enacted to put the ideal of the universalization of social security stated by the 1988 Constitution into practice. LOAS also became the basis of the cash transfer policies that spread throughout the world as targeted poverty reduction measures from the late 1990s [Jaccoud 2005].

One of the main forms of social assistance institutionalized by LOAS is the Continuous Benefit of Assistance (BPC) implemented in 1996. BPC gives a cash benefit equivalent to minimum wage to those who are elderly or deficient people impossible to work and who have a monthly household income per capita less than one-quarter of minimum wage. BPC functions similarly to a non-contribution pension in the case of elderly beneficiaries, because its eligibility age for elderly people that was originally 70

years old, was lowered to 67 years old in 1998, and then to 65 years old in 2004. BPC was institutionalized by the universalistic scheme, because its minimum-wage benefit makes subsistence of beneficiaries possible, similar to a pension, even at the very least. From 1974, the Lifetime Monthly Income (RMV) had been implemented as an assistance program for poor elderly and those who cannot work, but its benefit was half of minimum wage and the eligibility conditions were more restricted. RMV was integrated into BPC in 1996 and only the currently active portions are being paid [MPS 2009].

Some targeted cash transfer policies, which give a supplementary amount to specific areas or subjects, were first implemented at the local level and expanded later to the national level. Among these programs are the previously mentioned *Bolsa Escola*, the Child Labor Eradication program (PETI) of 1996, and *Bolsa Família*, which was established in 2003 by the Lula administration and integrated existing cash transfer policies.

*Bolsa Família* gives cash benefit to low income families that fulfil conditions such as ensuring children's school attendance and vaccination. In so doing, it divides target families into two different categories according to economic condition. The first are destitute families, whose monthly income household per capita is less than R\$ 77, and the second are poor families, with R\$ 77–154 (US\$ 1 equivalent to R\$ 2.6 in January 2015). The total amount of benefit varies by the number of children and their ages, but destitute families can receive R\$ 77 as a baseline, independent of existence of children and pregnant women. Gradually, the benefit amount was adjusted with price increases and others, and the eligibility conditions were changed; for example, the Rouseff administration increased the qualifying age from 15 to 17 years old in 2008 and expanded the program to cover infants aged 0–6 years old in 2011.

The amounts of monthly benefits as of January 2015 are R\$ 77 baseline, R\$ 35 for each child aged 0–15 years and pregnant women (max 5 persons), and R\$ 42 for each child aged 16–17 (max 2 persons). The total amount varies from the minimum of R\$ 32 to the maximum of R\$ 336. The average amount paid in January 2014 was R\$ 150, but this rose to R\$ 167 with a 10% of adjustment in June 2014. *Bolsa Família* was received by about 13.9 million families before the end of 2012, equivalent to the policy target number, and spread so widely that 1 of 3 people in Brazil were beneficiaries [MDS].

Cash transfer policies that impose certain conditions on receive benefits, such as *Bolsa Família*, are known as conditional cash transfer (CCT) programs. CCT give

cash benefits that are conditional upon activities that would increase human resources, such as education and health care, and aim at breaking the cycle of poverty by investing in human capital. These programs are very selective because they focus in particular on the poor families with children. As the Lula administration expanded *Bolsa Família* on the national scale, and at the same time demonstrated its appeals through international organizations, *Bolsa Família* became known as a successful case of CCT at home and abroad [Roett 2010; Fishlow 2011]. During the eight years of the Lula administration, about 30 million people experienced upwards social mobility from the poor to a new middle class. It was achieved through the complex of factors comprising the dissemination of CCT including *Bolsa Família*, the development of social security, and economic stability and growth.

In 2005, the Unified Social Assistance System (SUAS) was founded to institutionally unify the various policies for social assistance and related services, with the administrative operation by local governments and the participation of civil society. The Center of Social Assistance (CRAS), one of the main projects of the SUAS, is being established in many parts of the country as a base for various social assistance services. As will be described later, some problems in the social assistance sector are the increasingly problematic financial situation and the limitations of social assistance for further social ascension because of its minimal benefits [Koyasu 2005; Konta 2011; Fishlow 2011].

### **3. Characteristics of the Changes on Brazilian Society**

#### **3.1. Increasing Social Expenditure**

To understand the changes in social areas in greater detail, this section overviews social expenditure in the Federal Government.

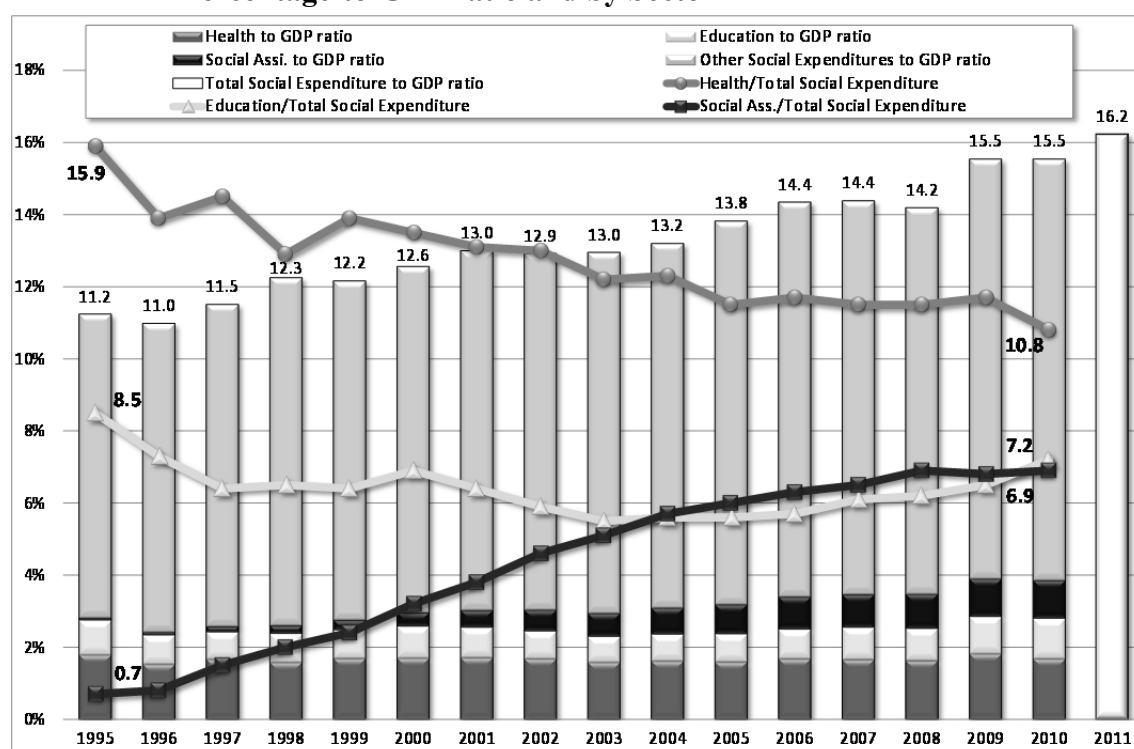
When the Cardoso administration began in 1995, the social expenditure of the Federal Government was 11.2% of GDP<sup>3</sup>, after which it increased gradually, reaching 16.2% (estimated) when the Rousseff administration started in 2011 [Figure 2]. This shows that the government has been allocating additional funds to implement new social institutions and policies in recent years. There may be also an influence of setting the minimum wage as the institutional lower limit as an attempt toward universal social

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<sup>3</sup> Pre-revised GDP (before March of 2015).

security for all the people in the unequal society. The first reason for this is that the previous institutional allowance, which was not defined by minimum wage, was quite low. However, the other reason is that the minimum wage has increased more than prices have risen, due to the recent political and policy decisions of the government. It has been raising not only the standard of living, mainly of the lower-income class, but also governmental social expenditures such as pension.

**Figure 2. Change of Social Expenditure of Federal Government: Percentage-to-GDP ratio and by Sector**



Source: Elaborated by author based on Castro et al. [2012, 13] and Chaves and Ribeiro [2012, 13].  
 Note: The datum of 2011 is estimated and Pre-revised GDP (before March of 2015).

In certain sectors, social assistance is increasing more than in others, in terms of both percentage-to-GDP ratio as well as total social spending. Social assistance, including CCT programs such as *Bolsa Família*, is a more targeted sector focusing on the poor, whereas, the other sectors are more universally intended for all the people. Education continues to be almost unchanged in both terms, and health is unchanged in terms of percent GDP but declining in terms of total social spending. Pension<sup>4</sup>, the

<sup>4</sup> The data of pension are not plotted in Figure 2, because its percentage-to-total social expenditure, nearly 50%, is too large compared to the other sectors. But the source of the data is the same as the others [Castro et al. 2012, 13].

increasing deficit of which has prompted some concern, increased gradually and reached 7.4% of GDP in 2010, and currently hovers nearly 50% of total social spending, which is the highest of all sectors.

In Brazil, it can be thought that they tried to construct a society where more people would be able to receive social security benefits by first implementing universalistic institutions and policies for all. However, there are still some people who are not included in this universal framework of social security or cannot further move up socially. Therefore, it can be understood that in recent years when the universalistic institutional arrangements were set, albeit incompletely, targeted social assistance policies intended for the persistently poor, such as *Bolsa Família*, are being carried out more extensively. This means that a targeted element was added to the development of social security based on universalism for all the people. And it can be considered a turning point in the Brazilian government's recent social policies.

### **3.2. Characteristics of the Implemented Social Security**

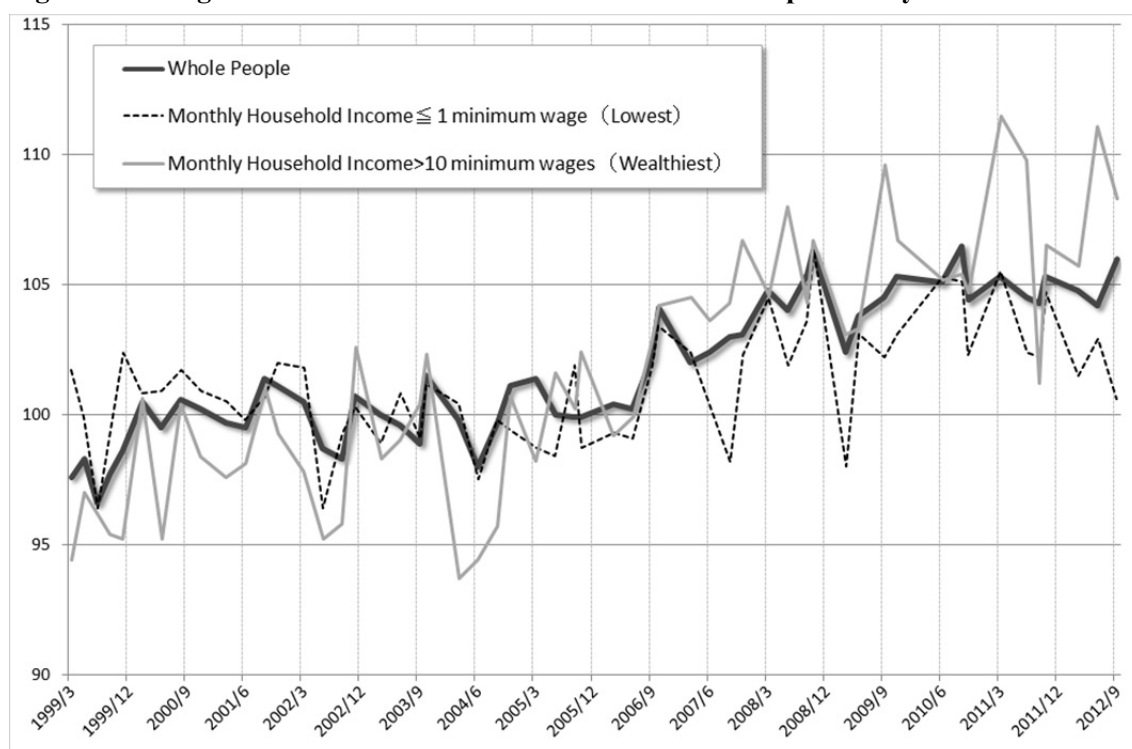
Brazil did not have relatively little domestic and external conflict, compared with other emerging and neighboring countries, while realizing a political, economic, and social development. It can be said that other such countries paid attention to this model of development, increasing the influence of Brazil in foreign diplomacy.

Against this background, the protests, which many experts and government officials had not been able to predict, occurred and expanded nationwide in June 2013. This was the first nationwide protesting to occur for over 20 years, since the demonstrations against presidential corruption in 1992. There are some other demonstrations by social movements and labor unions, but they are pacifistic and limited to the cities or regions. Other more radical manifestations such as the peasant movement for agrarian reform are being more marginalized by society, because a part of the movements became very violent. Despite Brazil's multi-racial/ethnic society, conflicts and social tensions—such as racial issues in the United States, xenophobia in Europe, and religious conflicts in the Middle East—rarely come to the surface. In contrast, in China, dissident or anti-Japanese movements, complaints of the economic gap, and tensions with the communist government sometimes rise up. Similarly, in India, conflicts or incidents often occur due to the religion and caste system. In Brazil's immediate neighborhood, there are some countries where the society is divided by autocratic presidents, such as Venezuela, and whose social order is unstable because of

indigenous issues and others.

Based on poll results, I will examine here why Brazilian society in recent years is relatively stable, and in the light of the social area, why the nationwide protests occurred in 2013. Life satisfaction scales shows that that of the population as a whole is increasing recently. Regarding satisfaction and income level, the satisfaction of the wealthiest households generally (monthly household income > 10 minimum wages) used to be lower than that of the lowest households (monthly household income ≤ 1 minimum wage). But this trend reversed more recently, with the former outweighing the latter [Figure 3]. This trend of increasing satisfaction was observed not only with individual life but also with the government, as well as for both the present status and also the near future in the poll results [CNI-IBOPE].

**Figure 3. Change of Life Satisfaction Index in Poll: Whole People and by Income Level**



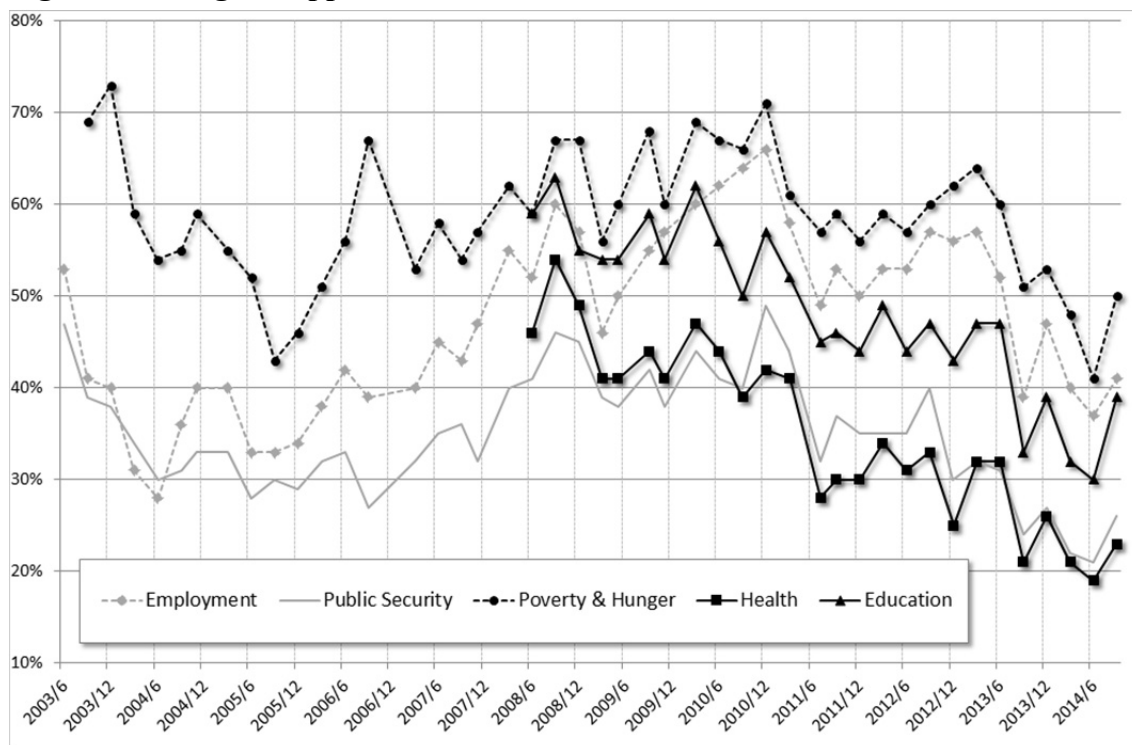
Source: Elaborated by author based on data of CNI-IBOPE, *Termômetro da sociedade brasileira*.  
 Note: Index calculated the average as 100.

Regarding the approval rate of governmental policies by sector, poverty and hunger policies with extensive government support, such as *Bolsa Família*, have almost consistently received high scores. Employment policies as well have received relatively high approval rate in recent time, with the improvement of the unemployment rate and



real wages [Figure 4]<sup>5</sup>.

**Figure 4. Change of Approval Rate for Policies of Government in Poll**



Source: Elaborated by author based on the data of CNI-IBOPE, *Avaliação do governo*.

Notes: The percentage other than "approval" is the sum of "disapproval" and "unknown/unanswered". The poll on Health and Education began from June of 2008.

Thus, when looking for factors of the recently stable development of Brazil, it can be first of all pointed out that individuals were socio-economically satisfied. In recent Brazilian society, the social security was developed by combining universal and targeted policies. The economy recorded high growth in the second half of the 2000s, although it recently became sluggish. Given in these situations, it can be thought that poverty and employment improved, contributing to the increased approval and satisfaction of individuals with the related government policies. In the New Brazil, people were socio-economically more satisfied at the minor level, though at the macro level the economic situation was more becoming a concern.

While the wealthy was more satisfied with their lives in the recent polls, their

<sup>5</sup> There are two relatively marked declines in June of 2011 and in June of 2013. It seems to have been influenced by the change of the president from Lula to Rousseff in the former, and the nationwide protests in the latter.

approval for policies against poverty and hunger was generally higher than the average<sup>6</sup>. These results suggest that the universalization of social security and some of the governmental policies that involve income redistribution, such as *Bolsa Família*, are not making the high-income class dissatisfied; in other words, these measures are being implemented in a way that they do not create prejudice against the established interests of the wealthy. The amount of the measures, which intends to embody the social justice outlined by the 1988 Constitution, is the same as the minimum wage in the case of the BPC and even smaller in the case of *Bolsa Família*. Therefore, it can be thought that the recent social expenditures of the government, especially the social assistance, do not much burden the wealthy class (which is more influential in society) even it is increasing. In other words, the universalistic institutions and targeted policies in the New Brazil were contributing to stabilization of the social order.

However, these policies may have limits in how far they can promote the social ascension of the poor, given that the benefit amount is minimal. Furthermore, the precarious situation of Brazil's health and education were revealed by the 2013 protests, and improvements in these fields were strongly demanded then.

While public health indicators have improved in recent years, the low poll approval of these policies is notable, and has been declining over time, reaching 19% in June 2014. In Brazil there are two health care systems. One is the public system (SUS), and the other is private medical insurance. The result of the low approval of the health policy may strongly reflect the opinion of people who use the SUS and who lack private insurance, because almost all the people use the SUS in some form while as little as 25% of the population has private medical insurance. The SUS contributed significantly to the health improvement of people as shown by statistics such as the infant mortality rate, providing an environment in which everyone can receive health care services at no charge. Nevertheless, the current situation where many users are dissatisfied by the SUS may mean that the SUS, used by almost all the population, cannot provide sufficient services because of problems such as poor quality. However, people with higher income do not need to use the unpopular SUS service, and can instead receive high-quality health care services by paying insurance premiums.

The approval rate of education is also gradually declining. This may reflect the

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<sup>6</sup> The approval of the wealthiest and the average for the policy against poverty and hunger (%) were 63 and 62, respectively, in December of 2012, 65 and 57 in June of 2012, 54 and 56 in December of 2011, 66 and 57 in August of 2011, 72 and 71 in December of 2010, and 67 and 67 in June of 2010 [CNI-IBOPE].

problems mentioned earlier of the gap between public and private schools and the resultant mismatch between elementary/secondary education and higher education. Poll results imply that Brazilian society is unequal in terms of education as well, because of the existing gap between people who can get a good education and those who cannot.

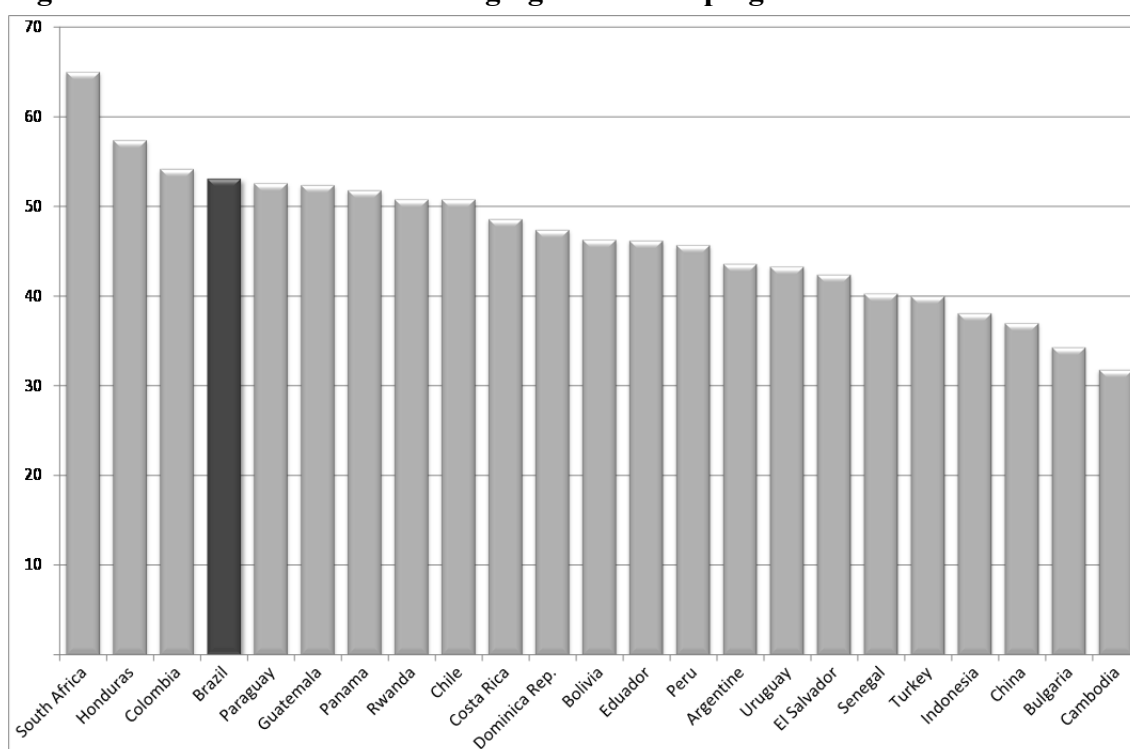
In sum, the establishment of a safety net for people who used to be outside the social security systems can be pointed out as the main recent change of Brazilian society, even though this net is minimal and has problems of quality. The reduction of poverty and disparity among the population was more advanced in the New Brazil era by developing social security in combination with universal and targeted policies, in addition to the consolidation of political democracy and economic stabilization and growth. Therefore, the small-scale sentiments based on social assistance and employment were good, and it might have led individuals to be satisfied with their own lives and with the government, as well as to have expectations for the future. This high public satisfaction likely had no small contribution to social stability in the New Brazil era.

However, even it was in large part alleviated in the 2000s, it cannot be overlooked that inequality in Brazil is still very prominent. According to its Gini coefficient, Brazil remains a relatively unequal country [Figure 5]. This might have been a factor leading to the nationwide protests in 2013, combined with the difficulty of upward social mobility given the minimal public social security, which includes the problems of poor quality and disparity in the SUS and school education. The trigger of the protests was a fare hike in public transportation in São Paulo, but the reality is that this event was a release of various latent frustrations. Despite the fact that the recently established social security system still contains various problems and remains far from capable of satisfying the needs of the people, the government placed higher priority on the national prestige event of hosting the FIFA World Cup. Adding to this, a huge amount of the people's tax money, more than had been described in the initial budget, was being spent to construct the related facilities such as stadiums, and reports of delayed progress were being seen and heard daily by the people. In fact, one of the main demands of the protests was preferential investment in health and education. Poll results from July of 2013 that asked about which governmental policies were considered most lacking reported that health was the worst (71%), public security was second (40%), and education was third (37%) [CNI-IBOPE]. These results matched the poll analyzed earlier.

After the protests, the government took various measures, such as the

preferential investment of the Pre-Salt offshore oil royalties to education (75%) and health (25%), and the More Medical Doctors Program (*Programa Mais Médicos*), which introduces foreign medical doctors and enhances medical education. However, while the needs of the people in the social sector were addressed by their socio-economic improvement in the New Brazil, the declining trends in the polls of regarding health and education have not changed very much, and the more recent macro-economic situation is stagnant. For these reasons, more time and effort might be necessary to fill the gap between what is desired and the situation in reality. And that is to say, the scenario is now the Post-New Brazil.

**Figure 5. Gini Index of Main Emerging and Developing Countries: 2011**



Source: Elaborated by author based on the estimated data of World Bank.

**Some Conclusions**

It can be said that in Brazil the 1988 Constitution was a turning point for social changes. Because it placed the ideal of universalization of social security for all the people, mainly among those who had been socially excluded before, and advanced social welfare and social justice. Since the 1990s, when the economy was still confused, the institutional construction of universal social security had been pursued, and targeted

policies began to gradually be implemented on the national scale, after the economic stability that followed the end of hyperinflation. At the beginning of the 21<sup>st</sup> century, the universalization of social security for all the people was realized to some extent by both universal and targeted measures. As its result, the inequality among the people was improved to some extent.

In sum, the “newness” of Brazilian society at the beginning of the 21<sup>st</sup> century in the social area is the development of a safety network for all the people, which became more institutionalized than it had been before turning points such as the 1988 Constitution. Before the constitution, workers in the informal sector and the poor used to be forced to survive without a formal public or private safety net, because they were excluded from the social security system and related policies. In Brazilian society, which has higher inequality, a fair number of people were living in such a situation. Therefore, the alleviation of poverty and inequality by implementation of universalistic institutions together with targeted policies is a characteristic of the New Brazil.

But the established social security is minimal and intended mainly for socially excluded people living in poverty, and the system still has many problems such as poor quality. Therefore, the inequality of Brazilian society has much room for improvement, and a large gap still exists between the present state of social security in reality and the one demanded by the people. These may be the key factors that caused protests to spread around the country for the first time in two decades, in addition to the political distrust observed in the preparation for the World Cup. However, it could also be thought that the protests occurred because of Brazil’s development into the New Brazil, which placed the needs of people’s own social security much higher than the actual improvement gained in that area. This higher mismatch between the established social security and increased needs of people can be recognized as belonging to the Post-New Brazil instead of the New Brazil.

Finally, I mention some newly visible social themes or ones with some new measures currently being addressed in the social arena of the Post-New Brazil, such as religion, sexuality, gender, environments, race/ethnicity, and public security. Each of these themes has a different background and some of them, such as race/ethnicity and public security, had already become important issues long before the New Brazil. However, they may be receiving greater focus in Brazil of late, because the socio-economic situation of people has improved via the development of social security, and consciousness on social welfare and social justice has increased. The Brazilian government is also dealing with these themes in its research on social policy and trying

to address their problems [IPEA 2000-2012]. For instance, religion became an important issue in the presidential election for the first time in 2010, and same-sex “stable unions”, which are virtually identical to marriages, were legalized in 2011. Regarding race/ethnicity, an affirmative action program called *Cota* for African descent for entrance examinations has been used mainly since the beginning of the 21<sup>st</sup> century, and public security has been addressed with new trials such as the Peacemaker Police Unit (UPP) and the Community Patrol (Koban) system.

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