

IMF/PIIE Rethinking Fiscal Policy Event

“Helping People”

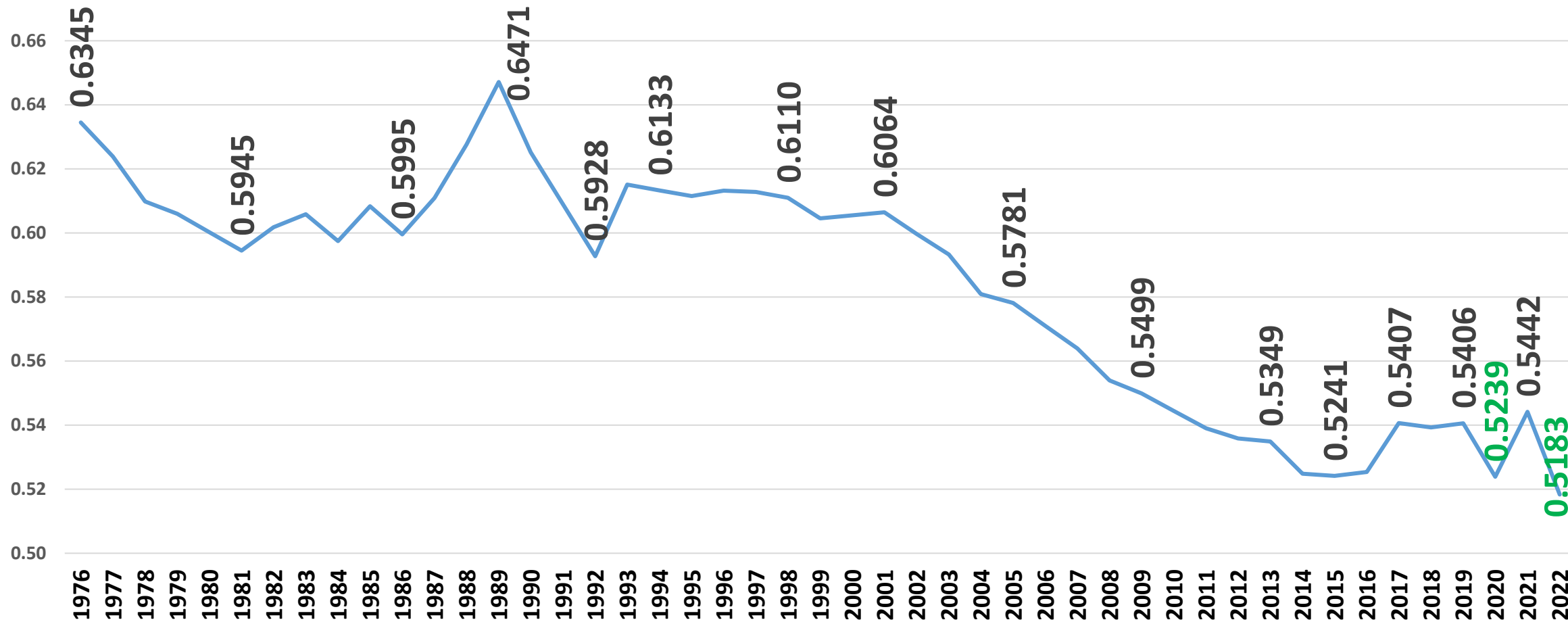
Brazilians during the Pandemic and Beyond

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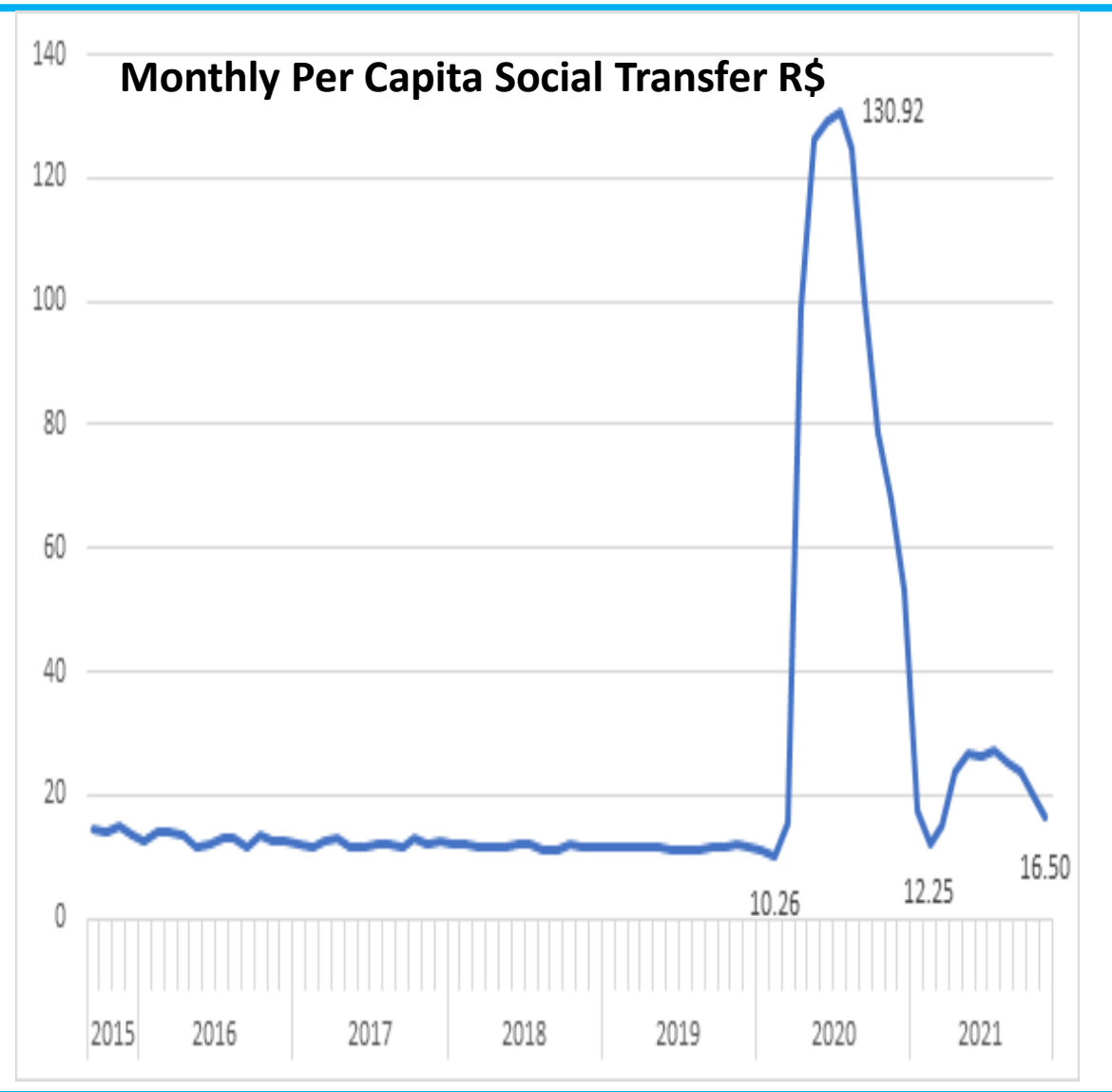
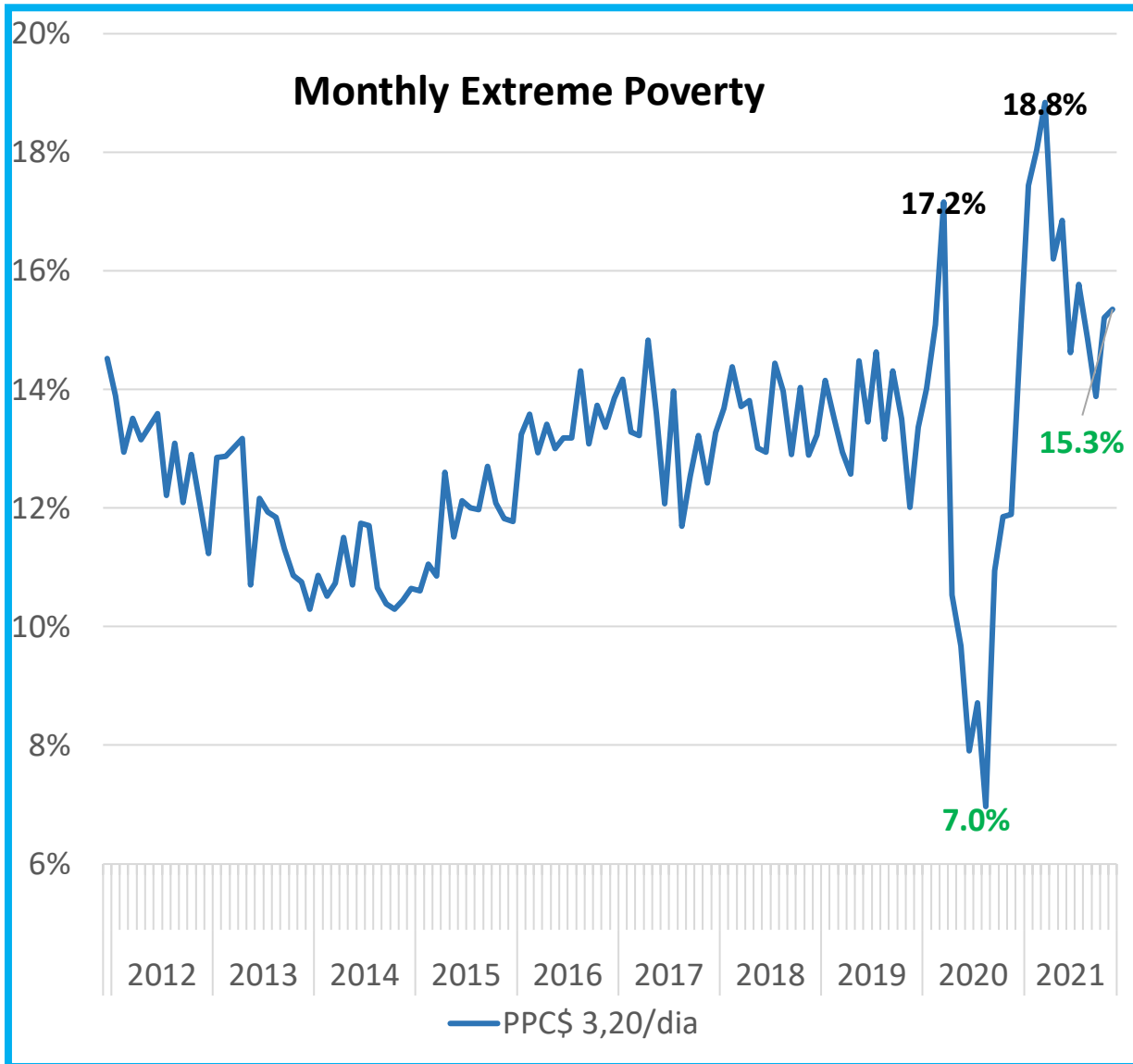


DC May 31, 2023

Inequality in Brazil 1976-2022 – Gini of Per Capita Income

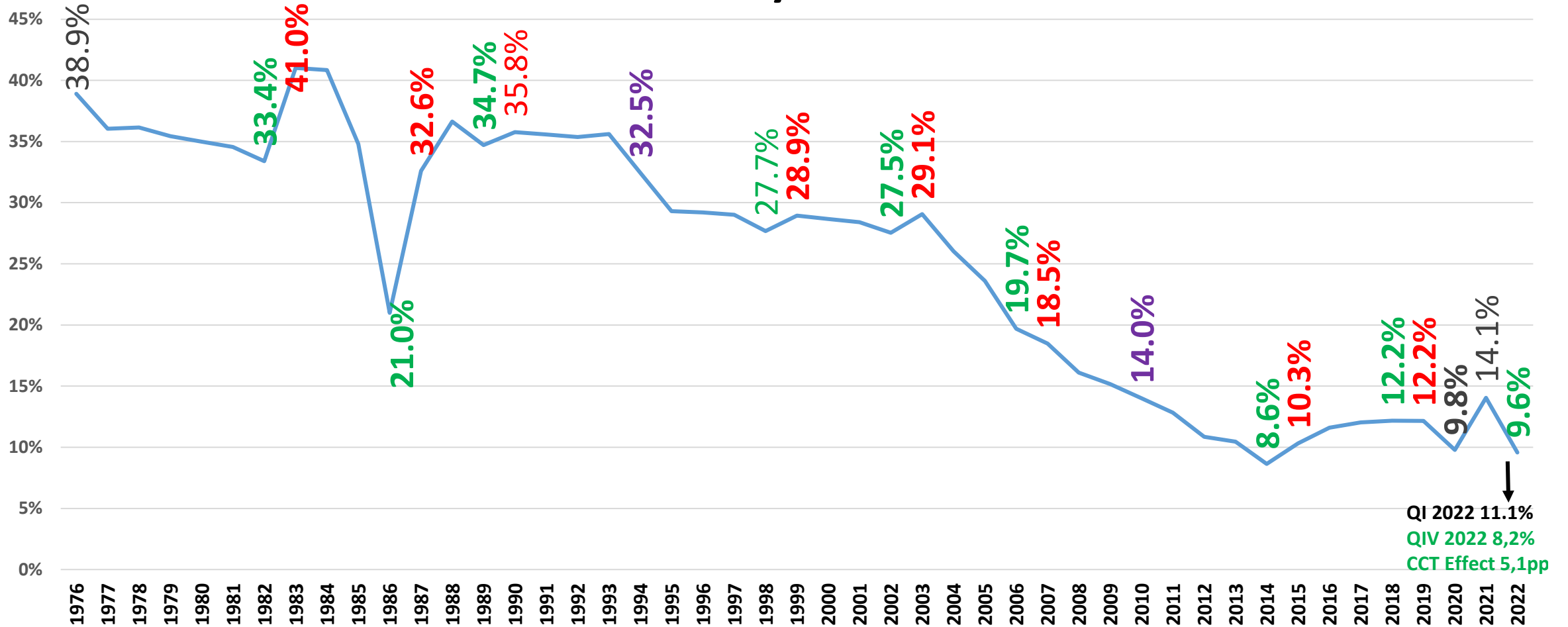


Source: FGV Social from PNAD and PNADC Annual Harmonized



Source: FGV Social from PNADC Annual. *U\$ 3,2 PPP a day

Extreme Poverty in Brazil - 1976-2022



QI 2022 11.1%
 QIV 2022 8,2%
 CCT Effect 5,1pp

Source: FGV Social from PNAD and PNADC Annual Harmonized. Obs: **Electoral** green, **Post-Electoral**, **Electoral interpolated (no Pnad in that year)**.

Permanent transfers

- Poverty rollercoaster. To avoid **policy-induced instability**.
- Auxílio Emergencial to be seen as a **capital transfer**. Paid directly in savings accounts deposits (**Nudge**).
- The pandemic left **permanent marks** on both **size and design** of income transfers.
- Anti-poverty transfers changed **from 1% to 2,5% of GDP**.
- **Targeting loss** 45% above pre pandemic levels

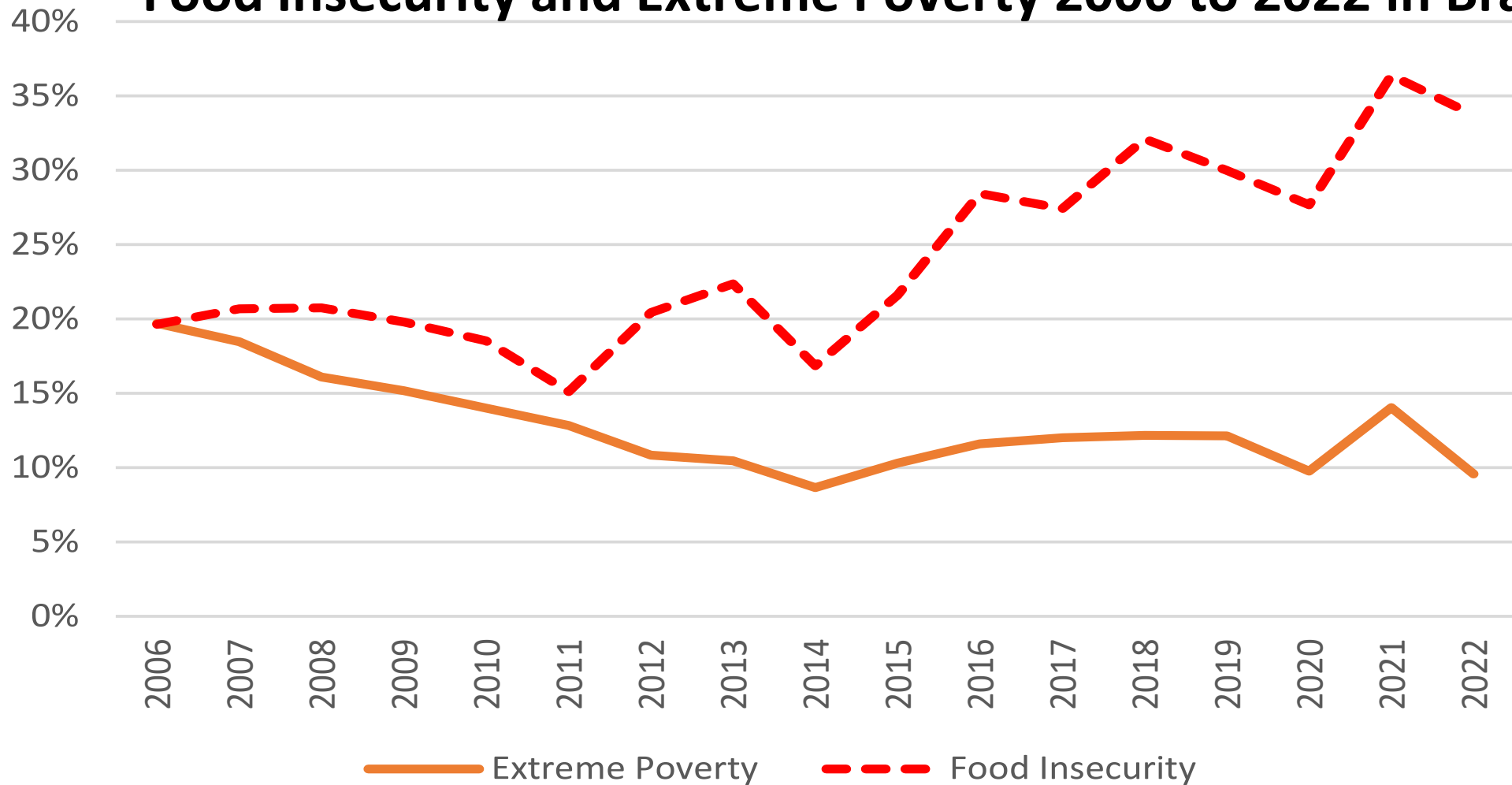
Family fragmentation

- Minimum transfer **per Family** was kept.
- **Single-person households** rose 73%.
- Recently, created benefits per children but still family splits incentives.

Structural recovery

- Bolsa Familia **conditionalities** can heal the scars of the Covid Generation.
- Child overall **vaccination gaps** rose from 6,9% in 2019 to 28,5% in 2021
- **School dropouts** 5-9 went back 15 years. **Math proficiency** back 14 years.
- The end of monetary poverty is only the beginning.....

Food Insecurity and Extreme Poverty 2006 to 2022 in Brazil



Source: FGV Social using PNAD and PNADC Annual Harmonized. Gallup World Poll.