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DISCUSSION PAPER
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Marcelo Medeiros
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CASH BENEFITS TO DISABLED PERSONS IN BRAZIL: AN ANALYSIS OF BPC – CONTINUOUS CASH BENEFIT[1] PROGRAMME

Marcelo Medeiros[2]
Debora Diniz[3]
Flávia Squinca[4]

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2. Coordenador do Ipea no International Poverty Centre (IPC)/Programa das Nações Unidas para o Desenvolvimento (Pnud).
3. Professora da Universidade de Brasília (UnB).
4. Pesquisadora da Universidade de Brasília (UnB).

Federal Government of Brazil

Secretariat of Strategic Affairs of the Presidency of the Republic
Minister Roberto Mangabeira Unger

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SUMÁRIO

ABSTRACT

The paper presents an analysis of the Continuous Cash Benefit Programme (BPC, which stands for Benefício de Prestação Continuada in Portuguese), an unconditional cash transfer to the elderly or to extremely poor individuals with disabilities. The information used in the assessment stems from the study of court decisions and laws related to the programme since its implementation, an analysis based on questionnaires applied to medical experts, interviews with the programme managers, as well as a review of pre-existing studies regarding BPC. In order to contribute to the management of the programme, as well as to improvements or even implementation of similar programmes in other countries, the study gives some recommendations about the design, operation and future evaluations of the programme.

Keywords: BPC, Disability, Cash Transfers, Cash Benefits, Social Assistance

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INTRODUCTION

The Continuous Cash Benefit Programme (BPC, which stands for Benefício de Prestação Continuada in Portuguese) is an unconditional cash transfer to the elderly or to extremely poor individuals with disabilities. It has been in effect in Brazil since 1993. The transfers are made to the elderly or people with a severe disability, whose household *per capita* income is less than one quarter of the minimum wage (approximately US$ 1/day in March, 2006). The value of the transfer is equivalent to a monthly minimum wage (approximately US$ 4/day).

The benefit is independent of previous contributions to the social security system and is not subject to any conditionality. All extremely poor individuals over 65 years of age, whether disabled or not, are entitled to the benefit. In the case of non-elderly disabled individuals, only those very poor that are classified as having a severe disability that hinders their independent life and work can receive BPC. Medical experts carry out tests to evaluate the individual's social situation with respect to his or her disability. The program beneficiaries are re-evaluated every two years in order to ensure that their status has not changed.

The purpose of this study is to critically analyze the design and execution of the Continuous Cash Benefit Programme in order to highlight lessons that can be used to improve or implement similar programmes in other countries, as well as making suggestions to improve the Brazilian programme.

The analysis is particularly centred on the type of benefits related to disability, focusing on the regulation concerning definitions of disability and its effective implementation in operating the programme. The special attention given to the definitions and their implementation is due to the fact that those aspects compose the central axis in any policy targeting the disabled population.

The information used in this evaluation stems from the study of court decisions and laws related to the programme since its implementation, an analysis based on questionnaires applied to medical experts who perform part of the selection of beneficiaries, interviews with the programme managers and other individuals directly related to its execution, as well as a review of pre-existing studies regarding BPC.

The different sections of this report follow a similar pattern. Each section corresponds to an important dimension in the operation of BPC and contains a brief description of the objectives, followed by an analysis of positive and negative aspects and, finally, suggestions of alternatives to better execute the programme.

Some recommendations refer to measures within the scope of action of programme managers. Others go beyond their reach and would require changes in the present legislation. The recommendations given can be gathered into two main groups. The first regards suggestions about improving the use, organization, analysis and dissemination of information collected in order to execute the programme and the establishment of a systematic evaluation system for BPC. The second refers to suggestions for changes in the tools for evaluating social and disability conditions. Most of the suggestions are simple and objective and many of them imply low implementation costs. Nonetheless, it is clear that these suggestions should be

evaluated in terms of their suitability by those who have deeper knowledge of the limitations faced in the administration process of a programme of such large proportions.

Finally, two additional comments referring to the terminology used should be made. The first regards the term *programme* in referring to BPC and the second regards the terminology used to identify the population that experience some form of disability. Strictly saying, BPC is not precisely a 'programme', given that the definition of its legal basis goes beyond the domain of the executive branch of the government. However, for the purposes of simplification, the term 'programme' will be applied to BPC. With regard to disability, there is some controversy about the correct terminology to be used when referring to people and populations. Judging such controversy to be irrelevant, we will use the terms *disabled, disabled person* and *person with disability* indiscriminately.

METHODOLOGY

Analysis of the Continuous Cash Benefit (BPC) was based on evidence from the following six sources: 1. A compilation of all normative regulations (operational rules and instructions) concerning the program; 2. A questionnaire applied to a sample of medical experts in charge of selecting beneficiaries; 3. The collection of all bills in transition in the National Congress related to BPC; 4. Interviews with the managers of BPC based on a standard questionnaire; 5. Standardized interviews with members of the inter-ministerial working group in charge of reviewing the selection criteria for beneficiaries; 6. Analysis of previous evaluations of BPC.

The collection of normative ruling on BPC included: references to social rights in the Federal Constitution, normative and organizational principles of social security and references to assistance to the disabled population in Brazil; supplementary legislation regulating social assistance, including the Social Assistance Law (*LOAS - Lei Orgânica da Assistência Social*); all ordinary legislation – including that revoked by later laws – that during its existence was related directly or indirectly to BPC; all decrees of the same nature and validity; and all resolutions, normative orientations and service orders from Conade (National Council of and for People with Disabilities) and INSS (National Social Security Institute) that at any time established definitions or procedures for the functioning of BPC.

The application of questionnaires to medical experts in charge of selecting the beneficiaries was based on an incidental sample of 16% of approximately 3 thousand experts working in all the regions of the country. If this were a random sample of the population, sampling error would be around 0.04. The main focus of the questionnaire was to evaluate the quality of instructions, forms and procedures related to the criteria of eligibility adopted by medical experts in the process of concession of BPC to disabled people, since the mechanism of selecting beneficiaries is one of the main axes of any focused policy.

The application of questionnaires faced two large obstacles. First, restrictions of administrative nature to gaining access to a complete list with the identification and contact information of the medical experts, which would allow the generation of a

random sample that could be interviewed by telephone. Second, a long-term strike (approximately 50 days) took place during the research period, which meant that a large number of the doctors could not be directly contacted in their place of work. Due to these two obstacles, the alternative was to apply an electronic questionnaire, distributed by e-mail, to a group of approximately 90% of the 3 thousand experts in the list obtained from the National Association of Medical Experts, breaking off the collection process when the responses reached 16% of the total population of experts.

In the National Congress, all bills related to BPC or any bill that proposed any form of definition of disability in legal terms were collected (a full list is provided in the references section). Bills in transition through Congress were collected regardless of their stage in the process. The contents of such bills were analysed and classified in categories, the main focus of which was the criteria of eligibility to the programme.

The body of BPC programme managers in the Federal Government and members of the work group in charge of reviewing the procedures for operating BPC were interviewed using a standard questionnaire, the aim of which was to obtain information about the actual functioning of all the stages and factors involving BPC: management; operation; policy elaboration for implementing the benefit; selection of eligibility criteria; definition of target population; profile of professionals responsible for medical and social evaluations; strategies to inform elderly and disabled population about the existence of and access to the benefit; financing; concession, re-evaluation process and roles of government agencies. Among those professionals referred to are: programme managers from the INSS and the MDS (Ministry of Social Development), social workers, medical experts and medical inspection supervisors.

All pre-existing evaluations and reports on the operation of BPC were revised as well. Furthermore, training documents, application forms and tools for selection of beneficiaries (evaluation forms) that had been used since the start of the programme were also analysed.

DESIGN AND OPERATION

TRANSFERS

BPC cash transfers are made on a monthly basis, using the regular banking system. Some bank branches operate in post offices, lottery agencies and commercial establishments, which substantially increases the number of places delivering the cash benefits. Each beneficiary has a magnetic card to withdraw the money. When beneficiaries are not able to receive the benefit personally, another person may be authorised to collect it for them.

The value of the monthly cash benefit is one minimum wage (R$ 300, US$ 125 in December 2005), an amount six times higher than the basic payment of the well-known *Bolsa Família* programme. The value of the minimum wage varies from year to year and its definition is strongly affected by decisions of political nature. Roughly speaking, the minimum wage in Brazil is determined taking into account not only the functioning of the labour market but also the pensions system; the minimum

wage is used as the basis for most of the pension system and any change in its value has direct implications for the fiscal budget.

Despite the fact that pensions in Brazil are taxed, BPC cash benefits are not subject to any kind of direct taxation. Of course, indirect taxation (such as value added taxes on purchases of goods and services) normally applies, when not exempted for any other reasons.

INDIVIDUALIZED BENEFIT

BPC is not a family benefit. It is an individualized benefit that takes into consideration characteristics of the individuals and their families. This has some implications from the legal point of view; among them the fact that until recently recipients of BPC could not accumulate any other cash benefit from public policies, but their families could do so. On the other hand, because the benefit is allocated to the individual, other family members (such as caregivers) are not entitled to any special form of protection by social policies1.

In practice, until recently BPC was targeted at families that had no other form of social protection against income deprivation; a family was rarely able to accumulate benefits since an increase in family income caused by another benefit tended to elevate the family income above the targeting threshold. This changed in 2003, after the approval of the *Estatuto do Idoso* (the equivalent to an Elder Persons Protection Act), which states that the value of the social assistance payments received by other elderly members of the family should not be taken into account in the *per capita* income calculations of BPC. Currently four bills had been presented to the National Congress extending the same right to people with disabilities. If passed, this will be of extreme importance to families where disability affects more than one member (disabilities of genetic origin, for example).

Because most social protection rights in Brazil - including BPC - are individualized, there are no programmes that also protect family caregivers. Caring, which is primarily done by women, is an activity that may negatively affect participation in the labour market and social rights that depend on that participation, such as pensions and other forms of social security. At present there is a bill before the National Congress that proposes the payment of the same amount as BPC (one minimum wage) to the caregivers of quadriplegic people. Irrespective of the desirability and fiscal viability of such a policy, it does not make sense to limit any benefit to caregivers of people with a specific impairment and this type of proposal would be more fair if it were targeted at all caregivers of people who may require intensive caring activity.

TARGETING

BPC is targeted at a very specific population, people over 65 years of age who are not working or disabled people not capable of working and living an independent life,

1. One bill under consideration in the National Congress proposes that in case of death of the beneficiary of the BPC the benefit would be inherited by the spouse; however, there is little chance that this bill will be approved and become a law.

both living with a family *per capita* income of less than 25% of the value of minimum wage (below US$ 1/day in December 2005). The proof of age is simple to ascertain and is found by means of any official record or other evidence of age; the severe disability condition is evaluated in clinical examinations and the family income is analyzed by a questionnaire. Every two years the beneficiaries are subject to a re-evaluation of their status.

Income Threshold

Family *per capita* income is evaluated by means of a questionnaire that collects information on the occupational status of family members and the declared income from all sources of each member. *Family*, in terms of the programme, means household family, but due to not well justified reasons, the programme uses a social security concept of family and calculates *per capita* income taking into account only family members that would be considered close relatives for social security purposes, that is, parents, children, brothers and sisters and others aged below 21 and not working or adults not capable of working. For individuals living in institutions, their families will be the households on which they are economically dependent. If such households do not exist, the individual is treated as a single-person family.

Although it takes into account family characteristics to decide eligibility, BPC is an individual benefit, but different from social security benefits, it cannot be transmitted to others, as pensions can be transmitted to the next of kin. Therefore, that there is no clear justification to use a social security definition of family in the programme, particularly one that can allow distortions such as an elder beneficiary living in the home of a rich adult couple. Programme managers are aware of that and steps to correct this distortion had already being taken.

There is no standardized protocol to test the trustworthiness of the declared information but this does not mean that the declaration of income is accepted without verification. In many municipalities this information is collected by a social worker from the local Social Assistance Council, who will usually use extra information about the place and type of residence, services and durable goods in the household to establish if the declared income is plausible or not.

The programme would benefit from better tools for defining income deprivation levels and the programme managers are aware of that and have been developing a new questionnaire that should provide a more standardized method to test the declared incomes. This questionnaire is expected to be ready for use by 2006 and will also provide information to integrate BPC with other social policies. The programme managers expect that, with the new questionnaire, social workers will be also able to identify the need for provision to the family of social services other than BPC.

Although the income threshold to define the basic design of BPC has been established by law, it is arguable that the threshold used is not completely consistent with the goals of the policy (Oliveira, 2004). The current criteria were used for pragmatic reasons and allowed the operation of the programme so far, but there is still room for improvement in the tools used to select beneficiaries.

BPC aims to reach individuals in families living in severe deprivation of well-being. A flat 'poverty line' that does not take into account family characteristics is clearly inadequate in this case. This type of line tends to treat in the same way families that have very different needs. For instance, a disabled person with a genetic disease such as Huntington's Disease may require a daily caloric consumption of 5,000 cal/day, an amount by far larger than other people requirements. If compared to other families, the family of this person has extra food costs that have to be met to ensure the survival of a member. Not taking the specific consumption patterns required by special needs leads to a wrong estimate of the real level of poverty of a family.

Also, any purely moneymetric criterion does not take into account the availability of public services that, at such a low level of income, clearly differentiate the levels of wellbeing of families, perhaps as much as income differences. For example, in some cities public transport is free for the elderly and public health care services are accessible at no cost while in other places neither of these services is available. Finally, age and disability impose several extra costs of living on families and these costs vary from individual to individual, but the current method of determining the eligibility threshold simply ignores this fact.

There is no definitive solution to these problems. However, all of them are somehow related to the fact that income, not expenditure, is the relevant dimension for selecting beneficiaries. The programme would probably gain from also using information on expenditure (consumption) to define the thresholds of extreme deprivation. If a minimum consumption basket were defined in terms of food, housing or other essential items, and the deprivation level were observed against this basket, family idiosyncrasies, the effects of the extra costs of aging and disability and the costs of compensating for the lack of public services (or the positive effect of having them) would be better taken into account in the screening process.

Such a minimum basket would probably have to be defined by normative decisions. Although this is a characteristic of most social assistance policies, it is possible that no basket will be subject to immediate consensus. No matter what type of debate begins with the proposal of such a basket, the change to expenditure (consumption) will probably result in a better situation than the present one. From the institutional point of view, the sooner the debate starts and a reasonable agreement is reached, the better, as the implementation of such a new method of selecting beneficiaries will depend on changes in the existing legislation that will be difficult to achieve if a stable solution is not agreed upon.

There is a rising trend in the value of the threshold used to screen beneficiaries. One sign of this is the fact that at least fifteen bills under consideration in the National Congress propose higher thresholds for BPC. The proposed levels go from one half to three minimum wages. The latter nearly corresponds to a universalization of the programme, as more than two thirds of the Brazilian population live with per capita incomes lower than that.

In addition, some courts also understand that the income threshold currently used is too low. Fiscal constrains are the obvious reason to use a very low threshold. If the budget of a programme is limited, it seems reasonable to keep the number of beneficiaries low and benefit the most deprived people first. However, several recent

court decisions have understood that too low a threshold violated basic social rights and forced the inclusion of beneficiaries up to the level of half the minimum wage (around US$ 2/day, December 2005).

As jurisprudence consolidates, the tendency is for the right to be granted the BPC transfers will be extended to those elderly and disabled people living below this higher income level. Although this seems fair from a social rights perspective, the increase of the thresholds case by case is not the best solution from the social equity point of view. They involve all the costs of a court case for a very poor family (often not met) and benefit some people without a uniform criterion. It would be better if the selection criteria of BPC were changed to include candidates who receive up to the level of half the minimum wage, as jurisprudence seems to recognize as a fair level, or a higher threshold.

If the eligibility threshold is to be increased, it could also be de-linked from the minimum wage. Although there are reasonable arguments to link the benefit to the minimum wage (among others, the Constitution provides a legal basis to this), there is no apparent reason to also link the selection criteria to fractions of the minimum wage. Actually, this way of defining the eligibility threshold prevents the use of differentiated thresholds according to family characteristics, place of residence, need to compensate the lack of public services with private consumption and so on.

Definition of Disability, Incapacity to Work and Living an Independent Life

As in the case of concepts such as 'health', 'education' or even 'poverty', there are different definitions of *disability*. Obviously it is related to limitations in some abilities, but there is no consensus about the relevant abilities, the level of limitations and the determinants of these limitations.

Listing the relevant abilities in order to define disability is mainly a normative matter. The idea of disability is often related to limitations in what are considered basic abilities for social life. It is not easy to state what abilities are basic for social life, but it is usually assumed that they are related to mobility, use of senses, communication, social interaction and cognition. In addition, it is also often assumed that disability exists when the limitations are related to biological impairments; people who find difficulties in regular written communication because they are illiterate will hardly be considered disabled but a blind person in a visual communication environment certainly will.

Abilities are not equally distributed in the population. If the distribution of relevant abilities (relevant for the definition of the term) is seen as a *continuum*, we may also speak of inequalities within the entire population with respect to the severity of each person's disability. Defining the level of ability below which a person can be considered disabled also depends on value judgments.

Although most definitions of disability are related to biological impairments, impairment and disability are different concepts. If disability is understood as the result of the interaction between the individual and the environment, it is easy to see that in a hostile environment a small impairment may result in a severe disability; the

same impairment in an inclusive environment may imply no disability at all. From this, it may be concluded that we may correctly evaluate the level of disability that people experience only if we have information on the environment they live in.

Based on different views of the relevant abilities, levels of limitations and their determinants, different social programmes may use different definitions of disability. This should not be seen as a problem; provided that the programmes are desirable from the social point of view, what matters for each programme is that the definitions used are consistent with its objectives. Therefore, the assessment of a programme that targets the disabled population requires an analysis of the programme goals and the consistency between these goals and the definitions used.

For BPC, a first definition of eligible disability formulated in 1995, was "a condition due to irreversible biological impairments that results in the incapacity to work and to live an independent life". This narrowed what was understood by disability in the political debate but actually the operational definition of disability for BPC used today is even narrower. After being subject to some criticism, it has gone through a revision process by a task force that has not concluded its work yet. If changed, the operational definition of disability of BPC will probably be inspired by the International Classification of Functioning, Disability and Health (ICFDH) of the World Health Organization, reflecting the idea that disability is the result of an interaction of impairments and a non-inclusive social environment.

It is arguable that irreversible or permanent impairment is a concept that is not coherent with the ultimate goals of the policy. From the perspective of social rights as defined in the Brazilian Constitution of 1988, there is no point in limiting social assistance to the permanently impaired for the very same reason that it would be inconceivable to limit any social policy to the 'permanently poor' or the 'permanently sick'. On principle, rights to assistance are defined by needs; irrespective of how they are defined, the former exist while the latter persist.

It seems that the idea of permanent impairment is an attempt to differentiate disability from disease where disability, as opposed to disease, is a condition that cannot be subject to treatment or, to put it plainly, is not subject to cure. The reasons for such an attempt are usually related to adherence to the so-called medical model of disability, which is not fully consistent with the social approach to disability of a programme such as BPC. Adopting the permanent impairment definition excludes several conditions that could otherwise be understood as disabilities that should be assisted by BPC. If the eligibility status for BPC is to be revised every two years, it would be more coherent with the goals and design of the programme to at least include impairments that would persist until the next round of re-evaluations.

The list of eligible permanent impairments was defined by law in 1999 and excludes some important types of impairment associated with disability. Basically, the list of impairments is limited to severe visual and hearing limitations, types of physical palsy of neurological origin, lack of limbs and a not clearly defined series of intellectual impairments manifested before the age of 18. If the definitions were to be followed strictly, individuals with degenerative neurological problems, arthritis, severe circulatory limitations, symptomatic HIV-AIDS, renal diseases and intermittent schizophrenia, to name a few, would not be eligible for BPC, even when

these conditions prevent them from working, cause extreme dependency and result in extreme poverty.

In addition, what happens in practice is that the medical officers responsible for BPC examinations already consider some chronic diseases as a condition making a person eligible for benefit. For instance, the survey carried out with these officers shows that 83% of the examining doctors see a patient in an advanced stage of HIV-AIDS infection as eligible for BPC and 28% of them also see chronic renal insufficiency as a condition that makes a person eligible. The point these results raise is not about the acceptance or not of chronic diseases as a reason to make someone eligible, but of how to define clear criteria so that every applicant will be treated the same way in the selection process.

To date, there are five bills being considered in Congress that propose that BPC should be extended to people with epilepsy, Parkinson's disease, HIV-AIDS, severe diseases and chronic diseases. Besides the fact that each of these proposals addresses only a small part of the problem, there is a high probability that the work of the taskforce defining disability more in accordance with the WHO ICFDH will be concluded before these bills are passed and become law , which, by turn, will make them obsolete.

If the rules were to be followed strictly, each impairment should be considered separately, which is incoherent with the principles that motivate the existence of BPC. Although the combination of several moderate impairments may result in severe disability, by design, eligibility for BPC occurs only when at least one impairment is considered severe, which could result in an undesirable systematic exclusion of that part of the population with so-called "multiple disabilities", that is, disabilities associated with multiple impairments.

However, there is evidence that to some extent this is not happening, in spite of the rules of the programme. The aforementioned results of the survey with the programme's medical officers show that a chronic renal insufficiency patient would be considered eligible by 28% of the doctors; if this insufficiency were combined with diabetes, the approval rate would double to 57% of the examiners, and this would not be caused by the presence of diabetes but by the combination of the two conditions. The examiners already weight differently the existence of multiple impairments; what the programme could do is to provide them with better tools to do so.

BPC uses a definition of intellectual disability present in the 1999 law that establishes the National Policy for People with Disability, which states that intellectual disability is the "intellectual functioning significantly below average, manifested before the age of 18, and with limitations associated to two or more areas of adaptation abilities such as communication, personal care, social abilities, functioning in the community, health and security, academic abilities, leisure and work". No matter how difficult it is to define intellectual disability properly, some changes in the present definitions would help to make it more consistent with the objectives of the policy.

First, it does not make much sense to use average intellectual performance as a reference in the case of BPC for the same reason that the poverty line used is not a

function of the average income in the population. Even if the concept of "significantly below average" could be better defined - perhaps using some sort of standardized tests - the distance from the averages is not the most adequate method to define a threshold. It is common to confuse 'average' with 'normality', but while average is a description of a distribution, normality is a term with implicit value judgments about desirable standards. It is not possible to tell if this confusion is behind the 1999 law, but it would be much better for the policy to have a clear normative definition of minimum performance. If the goal of BPC is to assist people unable to live an independent life and unable to work, then the minimum thresholds of intellectual performance should be established having that, not the average functioning, in mind.

Secondly, the requirement that intellectual limitations should be manifested before the age of 18 unnecessarily prevents people with severe disabilities from benefiting from BPC. As part of the social assistance system, BPC could hardly justify the exclusion of people who have developed their intellectual limitations at any age. We just have to imagine how absurd it would sound to require that only people who had experienced physical disability before adulthood could benefit from BPC to conclude, by analogy, that the rule is not consistent with the goals of the programme. As this rule blocks, with no apparent reason, access to social rights of people with degenerative problems, psychiatric conditions that develop only after maturity or losses of neurological functions due to infectious diseases, to name just a few examples, it should not be considered as an eligibility criterion.

Finally, the programme should really reconsider the use of the criterion "incapacity to work and to live an independent life" to define eligibility. This may be a strong disincentive to social integration through work or other activity that goes against the goals of the National Policy for Persons with Disability, since any beneficiary who starts working or having an independent social life would automatically lose the benefit. A bill being considered in Congress aims to correct this by extending BPC to all those who participate in rehabilitation programmes or have a so-called selective job, that is, that are in the labour market as a result of any policy created to promote the employment of disabled people.

In addition, it is very hard to define "incapacity to work" and even harder to define "incapacity to live an independent life", which leads to discretionary decisions on the choice of who should or should not benefit from BPC. On the one hand, very few human beings are not biologically capable of doing some kind of work and most people with severe physical and intellectual impairments are capable of labour activities. On the other hand, people with moderate impairments often face severe limitations not due to their own bodily impairments but as a result of barriers present in the social environment. Therefore, defining 'incapacity to work' requires more an understanding of the local labour markets than clinical knowledge.

People below the age of 16 are automatically considered 'unable to work'. This probably explains why the young population is disproportionately represented among beneficiaries. As very few types of impairment can be said to prevent people from working, the numbers of refusals of the benefit due to this eligibility criterion can be

high; when the evaluation does not use this criterion, the chance to receive the benefit becomes much higher.

The not clearly defined concept of 'incapacity to work' gives too much room for moralising and the unacceptable choice of the 'deserving poor' in a population of applicants that already lives in extreme poverty. It is pointless to test working capabilities in a population that has the risk of hunger as an incentive to work. If they could find decent work compatible with their capabilities, surely they would have a job. The process of selection of beneficiaries would probably gain if these criteria were changed or put aside.

There is now a bill in Congress that proposes a change in the definition of the disabled to "people who suffer physical, mental or emotional limitations that make it difficult for them to obtain remunerated work and ensure their livelihood". Although it should be seen as progress, this definition is almost as vague as the existing one and will also require discretionary decisions to be made.

The tendency is that these criteria will be gradually abandoned. Legal movements in this direction have already been made. Brazil has adopted the Inter-American Convention on the Elimination of All Forms of Discrimination, which now has the effect of a national law. Based on this convention, a successful public civil action (*ação civil pública*, a procedure roughly equivalent to a public interest class action lawsuit against the state) opposed the use of the "incapacity to work and to live an independent life" criterion by BPC, creating legal provision against the existing body of laws that guide the programme.

The ambiguities in the definition of disability are reflected in the little use that is made of standardized tools (questionnaires) to guide the examination process. The survey with the clinical teams that evaluate BPC candidates shows that 475% of the medical officers consider the existing evaluation questionnaires inefficient or less than efficient for the process and only 5% believe the questionnaires are very efficient. As a result, doctors give secondary importance to the questionnaires and the legal definitions of disability in order to decide who should be eligible for the programme.

The results of the survey also indicate that some examiners recognize the inadequacies of these definitions and adopt a more comprehensive definition of disability that better fits the goals of the programme. In spite of the fact that this procedure seems to better guarantee the rights of some individuals, it depends on individual initiatives and isolated decisions and therefore is not the best solution for a public policy.

Although they seem to be a short-term solution to make the programme work well, discretionary decisions can become a problem in the future. It should be noted that 59% of the doctors in the sample have been working as examining experts for BPC for less than four years and have not received specific training for the task they were assigned to. Thus, the risk of developing a targeting system that lacks uniformity in the screening process should not be underestimated. Better screening tools and definitions could reduce the incidence of the problems noted above and increase the efficacy of the programme.

INFORMATION

Dissemination of information is a very weak point in the programme. While other cash benefits programmes, such as *Bolsa Família* and its foreruners, were widely advertised, not much has been seen about BPC in the media. In part this may be a result of the fact that having been created by the 1988 Constitution, BPC does not belong to a specific government, therefore it does not receive the same political attention and generate the political credits that the *Bolsa Família* and similar initiatives do.

Social workers in public hospitals, as well as other health professionals, such as psychologists and nurses, are the most important sources of information about BPC for applicants. This may contribute to explain why the beneficiaries of BPC are proportionally over-represented in urban and metropolitan areas, since these are the areas that will have public hospitals and social assistance teams. The role of civil society organizations is secondary and publicity about BPC and its characteristics is virtually inexistent.

Obviously, this situation is undesirable and efforts should be made to reverse it. Like any other social programme, BPC must be publicly advertised in the media that reach the population living in extreme poverty. Also, a strategy to create information channels for the population that is not reached by the social workers in large health institutions has to be created.

SIZE AND THE BUDGETING PROCESS

Number of Beneficiaries

BPC has grown over the years and nowadays it is a programme of large proportions. For years it was the largest non-contributory cash benefit programme in Brazil and now its number of beneficiaries is second only to the *Bolsa Família* allowances. In December 1996, after its first year in operation, the programme had 346 thousand beneficiaries. At the end of 2005 around 2.1 million people were receiving BPC payments. Out of that total, 1.1 million were considered as disabled and 1 million as belonging to the old age category. Actually, there are reasons to believe that the number of people with disabilities among beneficiaries is higher than 1.1 million as Brazilian statistics from the last census indicate that at least one quarter of the population over the age of 65 has some kind of disability.

BPC is not the only cash transfers mechanism for disabled people operating in Brazil. Besides some pensions given to very specific groups, there are at least two other types of transfers directed to people with disabilities. The first is the so-called 'invalid pensions' (*aposentadorias por invalidez*), which operate in the form of an insurance for workers in the formal labour market. The second is 'perpetual allowances' (*renda/pensão mensal vitalícia*) created in 1974. These allowances were given to poor people aged 70 and over or to those considered incapable of working. After the introduction of BPC, the programme was closed and the existing pensions are residuals from entitlements granted before 1995 (562 thousand pensions in November 2005).

When compared to the invalid pensions, BPC is smaller programme. The pensions benefited 2.6 million people in 2005. The facts that call attention to BPC are its social assistance characteristics - completely independent from any previous contribution to the system - and its targeting a population living in extreme poverty.

The number of beneficiaries has been increasing over the last fiver years at a rate of about 10% a year. The trends for future spending are not totally clear but there is some evidence that this number will keep increasing in the coming years. It may occur, first, because the population is becoming more aware of the existence of BPC and the reduction of procedural and bureaucratic barriers is making the programme more accessible. As the costs of access are reduced, a rise in effective demand is expected.

Secondly, there is demographic pressure on BPC as the proportion of the population over 65 increases. But at the same time, a fair amount of this population is now composed of former urban workers (and their wives) who have contributed to the pension system and will be eligible for the more generous pensions of the regular system. Without further research it is not possible to define the probable outcome of these changes in the population structure.

Thirdly, the number of people with disabilities or aged over 65 who will be eligible for the benefits tends to decrease as extreme poverty is being reduced. However, there are bills in Congress proposing an increase in the cut-off income level and several isolated court decisions have doubled the minimum threshold (the 'extreme poverty line') from one quarter to one half of the minimum wage. The approval of the bills or the consolidation of laws will be more than enough to compensate for the recent reductions in the incidence of extreme poverty and increase the number of beneficiaries.

Extreme deprivation and poverty are not acceptable from the moral point of view and social assistance for the poor is a constitutional right in Brazil. Thus, there is little doubt about the desirability of an increase of BPC thresholds. But will an expansion of BPC affect fiscal stability? Of course the answer to such question depends on what is understood as fiscal stability. Even if the number of beneficiaries doubled, the total cost of BPC would still be small compared to the Federal Government's non-social expenditure in Brazil (around two thirds of total Federal expenditure is to pay interest and the amortization of debt). Thus, the main impact would not be in the level but in the distribution (allocation) of the total governmental budget. There is capacity to cover a possible increase in expenditure, but this capacity would require changes in the budget allocation.

Budgeting

In terms of total expenditure, BPC is larger than any other social assistance programme in Brazil. The estimate is that in 2005 around R$ 8.2 billion (US$ 3.4 billion) was paid to its beneficiaries while the *Bolsa Escola*, the second largest program, paid R$ 7.7 billion (US$ 3.2 billion) in total. In spite of the size of the programme's budget, it represents no more than 2% of the total cash transfers done by social policies in the country2; the large majority of the total budget transferred

2 These figures include only expenditure at the national level.

directly to beneficiaries is spent on pensions. Table 1 – Annex shows a comparison with other social assistance programmes.

The expenditure side of BPC is, by design, very progressive, but the same cannot be said about its financing side. From a budgetary point of view, BPC payments are part of the social security system, hence are financed mainly by means of taxes applied on wages of formal workers. These taxes are not progressive and there is a reasonable probability that such taxation negatively affects income distribution. That lack of distributional effect on the financing side reflects the overall characteristics of the financing of social policies in Brazil and a reversal of these characteristics would require a deep change in the structure of the country's entire tax system.

Several institutional arrangements protect the budget of the programme from short-term fluctuations, including political cycles and fiscal adjustments. The existence of the BPC was established in the 1988 Constitution and a 1993 law defined its basic design. Changing the value of the cash benefits and the eligibility criteria would require a mobilization of the National Congress to modify these laws; this mobilization is not likely to happen given the social relevance of the policy and the political and economic costs associated with it.

BPC payments totalled R$ 680 million (US$ 283 million) per month in November 2005. This represents around 9% of the total amount paid by the general pensions system. Formally, the National Congress allocates the amount of resources to be spent in BPC when it allocates the budget for the National Fund for Social Assistance. The Federal Government then decides when and how to spend this budget. In practice, however, Congress and the Federal Government have limited power over BPC, mainly because the cash transfers are understood as a social right and as such they are to be endorsed by every government as long as the law is not altered. Due to that and to the commitment of successive governments, the budget has been released on time and the payments have been kept up without serious interruptions since the beginning of the programme.

Composition of Expenditures

As BPC is part of a much wider system, it is hard to provide an estimate of the total operational costs of the programme. A large proportion of the administrative costs is accounted for as costs of at least three different institutions, two ministries and the data processing agency that manages the payments. Like any other cash benefits programme, BPC operational costs are supposed to be low when compared to the provision of other services such as health care, but there is no accurate estimate of these costs. There is no reason to believe that a future expansion of BPC would affect the unitary administrative cost of a beneficiary. The programme is already large enough to prevent gains of scale.

Neither is it possible to correctly estimate the costs implied in evaluations of the programme. So far, a few internal audits have been organized to evaluate the operation of the programme and recently a more systematic effort has been made to regularly assess it. Information on the costs of these actions is not available. Brazil is now using regular household surveys to collect data on the beneficiaries of several

programmes that will allow impact evaluations of BPC. However, the cost of this data collection and processing will certainly not be accounted for as costs of evaluation of the programme.

CHARACTERISTICS OF THE BENEFICIARIES

The information available about the characteristics of the beneficiaries is limited and stems from two main sources. The first is the administrative registries of data obtained when registering new beneficiaries. The second is data raised in a sample survey performed during the process of review of beneficiaries. To our knowledge, there is no systematic compilation of other information, such as the profile of refused applicants and the reasons behind the refusal.

A nationally representative household survey, PNAD 2004, is planned to be released by the end of March 2006. Given the sample design of the survey (cluster sampling), it will probably underestimate the total number of beneficiaries – as poverty tends to be spatially clustered. Nevertheless, this survey will bring valuable information about social and economic characteristics of the beneficiaries and their families.

The demographic information in regard to the concession of benefits to disabled people in 2004, obtained from the process of registry of new beneficiaries performed by Dataprev (the Government's administrative data management agency), indicates that a large number of concessions due to disability are among children and young individuals. Approximately 42% of all benefits were awarded to individuals between the ages of 0 and 24 and a large part of them were concentrated on the younger age groups. The population between 25 and 45 years of age represents approximately 29% of the new concessions and those 46 to 64 represent 29% as well.

Information collected in the process of review allows for tracing a rather limited profile of the programme's beneficiaries. In 2002, a sample study was carried out during the review of benefits granted. From this sample, the types of disabilities qualifying for BPC benefits were analysed. In accordance with the categories used in the survey, the following disabilities were found: Visual, 5%; Hearing, 5%; Physical, 17%; Intellectual Disability, 30%; Chronic Diseases, 10%; Multiple Disabilities, 21%; Mental Illness, 12%.

The geographical distribution of BPC seems to be is uneven, with an apparent disproportionate assistance to urban areas. This occurs despite the existence of a system of geographically distributed quotas. According to evaluations by the Ministry of Social Development (MDS), among the factors that possibly determine the uneven distribution are: problems in the data collection system; differences in access to information about the benefit; the ease of access to locations of benefit concession and medical evaluation; the different ways of evaluating incapacity to work and lead an independent life among the country's regions; and the different ways of interpreting the evaluations of each case.

Interviews with programme managers indicate the existence of other problems in the programme's operation: there are no clear measures to advertise the existence of the benefit to the population; the lack of civil registry documents is a barrier to

new applications; beneficiaries and applicants from rural areas have difficulty in accessing evaluation due to topographical barriers, insufficiencies in the transport system or even due to the inexistence of an INSS (social security) office within a reasonable distance.

Clearly, none of these problems has a simple solution. A strategy for announcing the existence of the benefit and its eligibility criteria is recommended as part of the programme, as it happens for instance in programmes such as *Bolsa Família*. Furthermore, it will be fundamental in the near future to collect data about the people – especially the poor ones – who do not have any form of civil registration in order to find measures to overcome this problem. Although this last effort is beyond the scope of action of programme managers, it is the Ministry of Social Development's duty to press for the collection of this information.

There are studies underway for evaluating which might be the mechanisms that could allow disabled people better access to BPC. There is also interest in producing more precise and uniform evaluation measures of the eligibility criteria. However, it is most likely that the results of these evaluations will not be available before mid-2006.

With regard to the last point, this present assessment of the programme would like to contribute to the effort and presents three suggestions:

1. The existing evidence indicates that the programme administration would benefit from a systematic plan of study of characteristics of beneficiaries, **as well as characteristics of the applicants refused.** Without such information, it is difficult to perform a comparative study that would allow for the analysis of errors in the targeting system.
2. The use of a standardized instrument (questionnaire) to collect socio-economic information, which should allow for comparability with other large Brazilian surveys, in particular household surveys (PNADs), budget surveys (POFs) and censuses (which regularly collect information about disabilities). This would permit better adjustment of selection instruments, drastic reduction in the systematic evaluation costs of the programme, as well as enabling studies of unsatisfied demand and cost simulations of proposals for changes in the existing rules.
3. The interviews for re-evaluation of beneficiaries are an excellent opportunity to collect panel information that would enable an analysis of changes in life conditions of beneficiaries and hence, the impact of the programme. This opportunity should not be underestimated and the programme would profit from having a good collection instrument with this aim.

APPLICATION, APPROVAL AND REVISION PROCEDURES

In order to apply for BPC, an elderly or disabled person must contact one of the INSS agencies, fill out an application form, provide an income declaration of the members of his/her family, show proof of residence and present personal and family documents in order to be evaluated according to the income criteria.

The disabled person will be sent forward for medical inspection. This evaluation is performed by expert doctors from INSS who verify, among other things: the capacity for work; the level of visual, auditory, motor and speech difficulty; the degree of difficulty in performing daily activities, such as personal hygiene, eating and dressing; schooling level; degree of control of defecation; dependency of permanent professional health care or care by others; existence and levels of oligophreny (delay in intellectual development), intellectual disability, psychiatric illness; and, in BPC re-evaluation phase, the social situation and level of vulnerability, information obtained via social evaluation.

If the clinical situation does not allow the disabled person to go to the location where the medical inspection is performed, the evaluation will be in the individual's home. Furthermore, if the applicant believed the evaluation has not been properly done he/she has the right to appeal. In the petition phase, the presentation of new documents is allowed to argue against the decision. If the petitions are denied and the applicants still feel they have been unfairly treated, they can go to the common justice system and contest the INSS decision.

BPC payments must undergo a review every two years in order to check if the conditions that generated the application for the payment are still valid. During the review phase, the Social Assistance agents from SEAS (State Social Assistance) and SMAS (Municipal Social Assistance) attend the medical evaluation performed by specialist INSS doctors. Social workers evaluate the social conditions of applicants during a household visit. If the social evaluation of the disabled person - performed during BPC review process - finds the need for a new evaluation of the incapacity to maintain an independent life and to work, the beneficiary will be sent to SMAS and to one of the offices or individuals responsible for the INSS medical inspection.

EVALUATION AND AUDITING OF BPC

Since its establishment, BPC has been subject to various evaluations. All the phases of the process have been examined (the way the system functions, selecting criteria of beneficiaries, etc.), as well as the products (profile of beneficiaries, estimate of impact on beneficiaries). There are also operational audits aiming at identifying occasional irregularities in the programme's execution. Until now there has not been any experimental impact evaluation of BPC. In 2006, a supplementary questionnaire to the Brazilian Household Survey, PNAD, is expected to provide information that will enable a broader analysis of BPC to be carried out.

The main information-collection mechanism concerning the processes related to BPC operation are the National Meetings on the Management of Continuous Cash Benefits. With respect to the collection of information about the programme impact, data collection occurs during the review process of beneficiaries.

BPC general management personnel regularly hold national meetings including managers and local delegates. In general terms, the purposes of such meetings are: 1. To train and update people involved in BPC's operations; and 2. To collect information that allows the programme's operations to be evaluated directly by the delegates. The importance of training and regularly updating a large-scale programme

that works in a decentralized way is obvious. What in fact deserves notice in such meetings is their use in evaluating BPC's operations.

The process of data collection in such meetings follows a model where several discussion groups are formed and they follow a standardized protocol of topics to be discussed. Each group presents a partial report with its conclusions, which are considered in the preparation of the final report. Since the programme management is decentralized, the main positive aspect of such process is to lead the managers and delegates to evaluate the local execution of the programme, as well as to learn of the solutions to similar problems faced by other local units.

Regular re-evaluations of beneficiaries happen in large waves, in which different cohorts of beneficiaries are subject to evaluation to determine whether to maintain or to cancel the benefit. In each re-evaluation interview the beneficiaries respond to a questionnaire to gather information about residential conditions, access to community services, the family budget and expenditure, occupational situation and demographic information. Unfortunately, there is no systematic processing routine, distribution to the public nor analysis of the collected information. In the best-case scenario, the local social assistance groups use the information to perform their activities, but it is hard to tell the extent to which this really occurs.

Since the questionnaire is only given to programme beneficiaries, it is nearly impossible to establish a control group for quasi-experimental impact evaluation. Since the BPC beneficiary group is a relatively restricted population, the methodological alternative for evaluating the impact would be to form a control group from the information collected in regular household surveys. However, the re-evaluation questionnaire design does not take this possibility into consideration and does not use standardized questions comparable to those of household surveys. Unquestionably, the programme would greatly benefit from a broader comparable questionnaire, which would also allow for cost reduction in future evaluation attempts.

CONCLUSIONS AND RECOMMENDATIONS

A SUMMARY OF THE PROGRAMME

Continuous Cash Benefit (BPC) is the second largest non-contributory cash benefits programme in Brazil, second only to the well-known *Bolsa Família*. The programme co-exists with other income transfers to people with disabilities such as 'invalid pensions' (*Aposentadoria por Invalidez*). Its special nature lies on its non-contributory character, as well as in its being a targeted social assistance policy.

Expenditure on BPC payments represents a small part (9%) of the total amount spent by the social security system as a whole, which includes social assistance programmes. BPC has approximately 2.1 million beneficiaries, of whom fewer than 1,1 million are disabled. The programme benefits a large group of disabled young individuals and children and more than two-fifths of all disabled beneficiaries are under 24 years of age. This means that a significant part of them will remain in the programme for a long period, despite the tendency observed in the country of decreasing extreme poverty.

The number of beneficiaries has increased over the years and there are signs that this increase will continue in the near future. An expansion in the programme at the same pace observed in the last two years, or even a slight acceleration, should not have a significant fiscal effect. The political environment, as well as legal and institutional arrangements that determine the programme's operation, make the programme relatively well protected against attempts to reduce the budget in the short run.

The programme makes unconditional transfers to elderly and disabled people who live in extreme poverty. The monthly payments amount to one minimum wage and the beneficiaries or their relatives withdraw the money through the banking system via magnetic cards. The individual cannot accumulate other benefits but the family can, which in reality does not occur due to the targeting of the programme at extreme poverty. Hence, the programme basically reaches individuals in families that do not receive any other form of cash benefit.

It is nearly impossible to receive two benefits in a family with more than one disabled person. However, after some recent legislation changes, it is possible to receive two benefits in families with more than one elderly person. There are bills in Congress that propose equality between disabled people and elderly in this respect. BPC does not include any other support for caregivers, although there are bills being discussed on this topic.

Beneficiary selection is done through an evaluation of family income, proof of age in the case of elderly and medical inspection in the case of disabled people. Proof of age is obtained by documentation and the main problem related to it is the absence of civil registration among a significant part of the Brazilian population. The programme design does not consider the extra costs of some disabilities and of aging and ignores the availability of some public services when deciding on the allowance of the benefit. The income threshold of the programme defines extreme poverty as receipt of a quarter of the minimum wage (around US$1/day) *per capita*. Although being inconsistent with the programme's objectives, according to the regulations, the medical examiner should only consider severe and irreversible conditions that are not related to chronic diseases.

The income threshold has been considered extremely low. Several judicial decisions have given the right of benefit to families with per capita incomes of half a minimum wage. At the same time, there are bills passing through Congress proposing the increase of this minimum level. Hence, the expectation is that in a short period of time it will be raised.

Eligibility criteria for disabled people are not very clear and allow for various discretionary decisions by medical experts. On one hand, the possibility of the existence of such decisions is positive, given that they allow for dealing with many exceptions not foreseen in the programme's rules, hence assuring the social rights mentioned by the Brazilian Constitution. On the other hand, there is the risk of having a selection process that is not uniform and that depends excessively on individual decisions.

The social assistance policy predicts the integration of BPC to other social programmes, but in practice this does not happen in a systematic way. The main

form of integration happens in terms of the control of accumulation of benefits and monitoring irregularities.

RECOMMENDATIONS

In order to contribute to the management of the programme, as well as to improvements or even implementation of similar programmes in other countries, our study gives some recommendations, which will be presented bellow. Some are within the scope of action of programme managers, whereas others probably require legislative action.

Tools for Evaluating Social Conditions and Disability

The use of better tools for evaluating social conditions and disability is recommended. In respect to actions within the programme management's scope, this could include the acceptance of suggestions given by an inter-ministerial working group already working on the issue. We particularly recommend:

1. That information on expenditure (consumption) – and not only income – be considered to define eligibility;
2. That a minimum consumption basket be defined in normative terms and used as complement or replacement to the limit of ¼ minimum wage *per capita* family income;
3. The recognition of pressure from the judicial decisions, thus, the increase of the limit of ¼ minimum wage be raised to ½ minimum wage (or a higher value compatible with budgetary limitations);
4. The criterion of irreversibility of disability to be abandoned and substituted by a criterion of possible continuation until the review of the benefit;
5. A convergence towards the definitions of disability adopted by the ICFDH-WHO, including the end of the distinction between chronic diseases and disability;
6. A better appraisal of disability through an improved definition of disability with regard to the results of a group of functional losses and not in terms of the severity of the isolated impairment;
7. The "incapacity to an independent life and work" criterion to be substituted by clearer and more objective criteria;
8. The calculation of family *per capita* income should not include BPC in the computation, as happens among the elderly, since the social benefits of such a decision would be high, whereas the impact on the budget would be nearly irrelevant.

BPC Information and Evaluation

Better use, organization, analysis and distribution of the information collected about the execution of BPC, as well as comparability of results with household surveys,

would contribute to the establishment of a systematic evaluation system for BPC. With regard to the collection and use of such information, we recommend that:

1. The information produced becomes part of a routine of data management, public distribution and BPC evaluation;
2. Information about social conditions and disability, collected at the time of evaluation for selection of beneficiaries, become available for use by other social programmes;
3. Tools for evaluating social conditions (questionnaires), as well as for the evaluation of disability, should be broad and designed in a similar manner as other types of data collection, particularly demographic censuses and large household surveys;
4. In order to compare and control, information should be collected on the characteristics of the applicants that are refused benefits and the reasons for the refusal;
5. The use of benefit review interviews to collect panel data that allows for the partial analysis of the programme's effectiveness;
6. Household surveys or demographic censuses should collect information about the existence of civil registration in the population and its geographical distribution, as well as distribution according to socio-economic groups, in order to take action with regard to stimulating civil registration in the population.
7. Household surveys, especially PNAD, should gather information about the receipt of BPC payments, eventually collecting information about disability as well; or the demographic censuses, that collect information about disability, might also collect information about the types of cash transfers and other benefits received.

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Brasil. PL da Câmara n. 3652 de 2004: Aumentando para um salário mínimo per capita a renda familiar para a concessão do benefício assistencial

Brasil. PL da Câmara n. 3903 de 2004: Aumentando para um salário mínimo a renda mensal per capita para recebimento de benefício de prestação continuada e benefício eventual

Brasil. PL da Câmara n. 4005 de 2001: Definindo a pessoa portadora de deficiência, para efeito de concessão do benefício de prestação continuada, correspondente a um salário mínimo, aquela que sofre limitação na sua capacidade física, mental e emocional dificultando a sobrevivência e o exercício da atividade remunerada

Brasil. PL da Câmara n. 4366 de 2004: Incluindo no benefício de prestação continuada de um salário mínimo o portador de epilepsia, que comprove sua carência

Brasil. PL da Câmara n. 4592 de 2004: Aumentando de 1/4 do salário mínimo para um salário mínimo a renda máxima mensal de família com deficiente ou idoso

Brasil. PL da Câmara n. 460 de 2003: Altera a Lei 8.742, de 7 de dezembro de 1993, para estender ao portador da Síndrome de Imunodeficiência Adquirida - AIDS o benefício de prestação continuada

Brasil. PL da Câmara n. 463 de 1999: Altera o § 3º do art. 20 da Lei 8.742, de 7 de dezembro de 1993, elevando para um salário mínimo "per capita" o limite de renda familiar para a concessão do benefício assistencial aos portadores de deficiência e aos idosos

Brasil. PL da Câmara n. 4674 de 2004: Aumentando para 2/3 (dois terços) do salário mínimo a renda mensal per capita da família da pessoa deficiente ou do idoso, objetivando o recebimento do benefício de prestação continuada.

Brasil. PL da Câmara n. 5926 de 2001: Altera o § 5º do artigo 20 da Lei 8.742, de 7 de dezembro de 1993, para permitir o pagamento do Benefício de Prestação Continuada a pessoa portadora de deficiência participante de programas de habilitação e reabilitação promovidos por instituições especializadas, e no exercício de atividades de trabalho seletivo, protegido, terapêutico.

Brasil. PL da Câmara n. 7207 de 2002: Aumentando para meio salário mínimo a renda mensal para o recebimento do benefício de prestação continuada e reduzindo a idade do idoso para 60 anos ou mais

Brasil. PL da Câmara n. 770 de 2003: Aumentando para um salário mínimo per capita a renda familiar para a concessão do benefício assistencial ao portador de deficiência e ao idoso;

Brasil. PL da Câmara n. 788/1999: Altera o § 3º do art. 20 da Lei 8.742, de 7 de dezembro de 1993, que "dispõe sobre a organização da Assistência Social e dá outras providências", elevando o limite de renda familiar para a concessão do benefício aos portadores de deficiência e idosos

Brasil. PL do Senado n. 5254 de 2005: Excluindo, para os fins de cálculo da renda familiar per capita, o benefício de prestação continuada (salário mínimo), já concedido a qualquer outro membro da família

Lei 9.720, de 30 de Novembro de 1998. Dá nova redação a dispositivos da Lei No 8.742, De 7 de Dezembro de 1993, que dispõe sobre a organização da assistência social, e dá outras providências.

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APPENDIX

BENEFICIARIES AND BUDGET COMPARISON

TABLE 1

Expenditures in Selected Cash Transfers Programs – Brazil, 2005

Programme	Families	R$/year	US$/year
Bolsa Família (CCT)	8,700,451	6,592,630,104	2,746,929,210
Bolsa Escola (CCT)	1,783,913	462,643,740	192,768,225
Bolsa Alimentação (food benefits)	24,145	4,984,380	2,076,825
Cartão Alimentação (food benefits)	83,524	50,114,400	20,881,000
Auxílio Gás (Cooking gas allowances)	3,401,114	612,200,520	255,083,550
	Persons		
PETI (child labor)	931,000	450,000,000	187,500,000
BPC – Disability	1,211,761	4,384,828,296	1,827,011,790
BBC – Elderly	1,065,604	3,850,628,868	1,604,428,695

Source: Estimates from Boletim Estatístico da Previdência Social, v. 10 n.12 and Ministry of Social Development.
Note: R$ values as of December 2005, US$ exchange rate of 2.4.

LEGAL ASPECTS

Continuous Cash Benefit (BPC) is guaranteed by the Federal Constitution of 1988, in its article 203 and secured by the 1993 Social Assistance Law (LOAS), paragraphs 21 and 22. Nonetheless, BPC was only established in January 1996, after Decree No. 1774, of December 8th, 1995. The age limit for application for BPC was reduced from 70 to 67 by Law No. 9,720 dated November 20th, 1998. It was again reduced from 67 to 65 in January, 2004 when the Elder Persons Protection Act was established. The income resulting from BPC already given to elderly people in the same family will not be included in the calculation of the family *per capita* income of the new applicants to the cash benefit to elderly people in the same family. Until 1996, elderly people over the age of 70 and disabled people with no other means of subsistence received the Monthly Perpetual Income (RMV), established by Law No. 6,179/74, in 1974. RMV was not longer in effect after the introduction of BPC.

In order to calculate the monthly family per capita income, the LOAS defined 'family' as being "the mononuclear unit, living under the same roof, whose economy is maintained by the contribution of its members". From 1998, Law No. 9,720 introduced a new concept of family for the concession of BPC: "the group of related people, as long as they are living under the same roof", which now allows also for extended families. 'Related', however, was a concept borrowed from social insurance programmes and as such limited family to close relatives (parents, spouses, children, brothers and sisters) bellow the age of 21 or unable to work. This means that since 1998 neither the income nor the number of persons above the age of 21 is taken into account in eligibility calculations.

Decree No. 1,774, of 1995, established that in order to receive BPC the disabled person should be "unable to have an independent life and to work, due to anomalies and hereditary irreversible injuries, congenital or not, that disable the performance of daily life activities and work". However, Decree No. 3,298, of December 20th, 1999, regulating Law No. 7,853, of October 24th, 1989 – which

establishes the National Policy for Integration of Disabled Persons – considers that "disability is all loss or abnormality of a structure or function of psychological, physiological or anatomical order that imposes incapacity to perform activities within the pattern of normality for human beings". Nonetheless, BPC uses a more restricted definition of disability. In order to prove disability, a person is subject to a medical inspection by the National Institute of Social Security (INSS). In fact, this attaches an *ad hoc* medical inspection to the definition of disability.

At present there are 25 bills in the National Congress proposing direct changes in the design of BPC. Most of them are related to the income targeting system of the programme; they either want to increase the income threshold used, which currently is of one quarter of minimum wage per capita, or change the way the per capita income is calculated. However, there are also proposals to make the concept of disability more comprehensive, to protect caregivers, to reduce the minimum age for the elderly to become eligible and to stimulate inclusion of the disabled by means of work.

One bill (4674/2004) proposes to increase the family per capita income threshold of BPC from one quarter to two thirds of the minimum wage. Twelve bills (1451/1996, 3055/1997, 3197/1997, 1463/1999, 463/1999, 788/1999, 7207/2002, 770/2003, 3633/2004, 3652/2004, 3903/2004 and 4592/2004) intend the increase to one minimum wage. One bill (2299/2003) increases it to 2 minimum wages and another (3030/2000) proposes the increase of the threshold to 3 minimum wages, which, in practice, corresponds to making the programme universal. In addition, four bills (2057 and 2058/1996, 2299/2003 and 5254-Senate/2005) propose changes in the way per capita income is calculated, excluding from the calculations the BPC received by other family members.

In regard to issues other than income targeting, six bills recommend the extension of the concept of disability in order to include Parkinson's disease (3363/2004), epilepsy (4366/2004), HIV/AIDS (460/2003) and chronic diseases (1451/1996, 1463/1999, 2064/1999); a bill (1312/2003) proposes the payment of one minimum wage to the family caregivers of quadriplegic persons and another (5926/2001) allows the payment of BPC to disabled persons working in selective work, that is, work in rehabilitation programmes. A full list of the bills under analysis is provided in the references section.

INSTITUTIONAL ORGANIZATION AND MANAGEMENT

The tripod of management of BPC is composed of MDS, INSS and the Social Security Technology and Information Bureau (DATAPREV). BPC is financed by the National Social Security Fund. The benefit is part of the National Policy for Social Assistance, coordinated by the Ministry of Social Development (MDS). General coordination of BPC, as well as the definition of its internal regulations, follow-up and evaluation of the payment, is the responsibility of MDS.

The INSS, a branch of the Social Security Ministry, is responsible for the administering the payment and DATAPREV is responsible for processing the information and generating statistical data about BPC. The management group in the Federal Government is composed of representatives from MDS, INSS and

DATAPREV. In the federal states, MDS is represented by the Social Assistance State Secretariat (SEAS). INSS is represented by its supervisory units, whereas DATAPREV is represented by its state offices. In the municipalities, the organization is similar ; there are INSS managing offices, Municipal Social Assistance Secretariats (SMAS) or similar agencies. DATAPREV state offices are responsible for municipal management. Hence, BPC's management is decentralized and composed of these three organizations – MDS, INSS and DATAPREV - and they have responsibility for the three governmental levels.

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PUBLISHING DEPARTMENT

Coordination
Cláudio Passos de Oliveira

Supervision
Everson da Silva Moura
Reginaldo da Silva Domingos

Typesetting
Bernar José Vieira
Cristiano Ferreira de Araújo
Daniella Silva Nogueira
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70076-900 – Brasília – DF
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