

Targeting and Coverage of the Bolsa Família Programme: What Is the Meaning of Eleven Million Families?

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By the second half of 2006, Brazil's Bolsa Família Programme (*Programa Bolsa Família*, PBF) had reached its pre-fixed target of covering 11 million families. That target was revised in January 2009, when an increase in coverage was authorised, expanding it to 12.5 million. Since the PBF's ability to reach the entire poor population is based on the programme's targeting and size (coverage), Soares et al. (2010) use data from the National Household Sample Survey (*Pesquisa Nacional por Amostra de Domicílios*, PNAD) to assess whether the programme's expansion between 2004 and 2006 degraded its progressivity, and they estimate the number of benefits needed to fully encompass the entire target population. They use a targeting analysis tool such as the programme's incidence concentration coefficient and binary analysis of eligibility versus receipt.

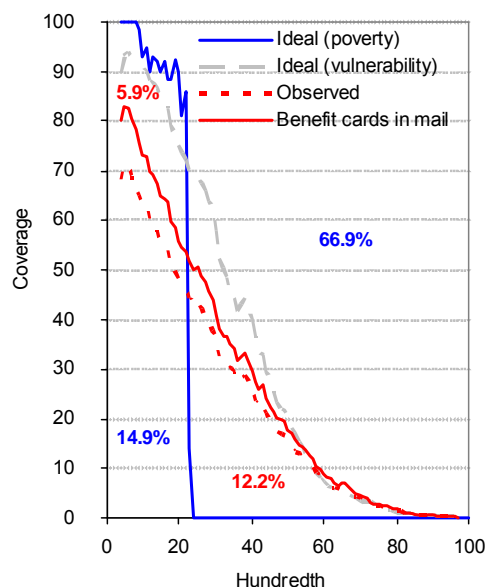
With respect to targeting, the analysis shows that the increase in coverage was accompanied by a small reduction in transfer progressivity. The incidence coefficient increased slightly, from -59.8 to -56.8. But the authors found no evidence that programme expansion itself has caused targeting to worsen. Moreover, the PBF remains well-targeted relative to programmes elsewhere.

Nevertheless, a more superficial analysis of PNAD data shows that 45 per cent of those receiving the benefit are not actually eligible, mainly because their income level is slightly above the R\$120 limit (as of 2006). Part of the programme's inclusion error, however, is due to the income volatility of the poorest families.

Poor individuals not only have lower incomes than most of the non-poor, they also have greater income insecurity. Thus their PBF eligibility may vary from month to month within the two-year period between registration reviews. This makes the real PBF target population (those who are or very probably will be below the R\$120 threshold) much larger, considerably bigger than it would have been if the calculation had involved a transversal estimation of income distribution at a given moment in time.

As regards coverage, there is no doubt: with the current targeting, the old cap limit of 11 million beneficiaries was insufficient to cover the entire eligible population. Estimates indicate that about 2 million families who should also be receiving the benefit are in fact outside the scope of the PBF. This amount is shown in the figure.

PBF Cross-Sectional (Transversal) Coverage by Income Centile, 2006 (%)



Although the recent increase in the number of beneficiaries to 12.5 million was necessary and laudable, it might not have been enough. Considering the programme's current targeting in different Brazilian federative units, it is estimated that in order to include the families most vulnerable to poverty, the PBF would effectively need to cover 15 million families.

Reference:

Soares, Sergei, Rafael Perez Ribas and Fábio Veras Soares (2010). 'Targeting and Coverage of the Bolsa Família Programme: Why Knowing What You Measure Is Important in Choosing the Numbers', *IPC-IG Working Paper*. Brasília: International Policy Centre for Inclusive Growth.

