Aid multiplies Bolsa Família value – Economy

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When the manicure Luana Santana, 27, saw that the number of clients only decreased with the advancement of cases of the new coronavirus, she was at a loss as to what to do. "Everyone was worried, because I have two children and depended on work for a living. I didn't even know I was entitled to emergency aid. I discovered it by chance and still remember the relief I felt when I received the money."

Luana, who was benefited by Bolsa Família with R \$ 78 per month, started to receive R \$ 1.2 thousand in aid, as she is a single mother. "The benefit was slow to be approved. I just watched the pantry get emptier, until it came out. There was no need to think much. As soon as the money fell, I ran to the supermarket. "

All of a sudden, families receiving Bolsa Família saw their benefit multiply in value with the new coronavirus pandemic. Between April and May, 14.27 million families benefited from the program. Those who previously received benefits of up to R \$ 205 per month, started to receive three to six times more, between R \$ 600 and R \$ 1,200 monthly, for three months – the estimated duration of the emergency aid.

As the main difficulty that the government has to distribute the benefit is reaching the 11 million people who were not registered in social programs before the covid-19 pandemic,

Bolsa Família became a matter of months of neglect target in solution for the distribution of resources to the most vulnerable.

If in February the line of Brazilians waiting to enter the Bolsa Família reached 3.5 million people, in the midst of the pandemic, early registration and the program's distribution network ensured the quickest way of distributing emergency aid by the government.

For the economist at Fundação Getulio Vargas (FGV) Marcelo Neri, the triple benefit would have to be accompanied by a personal finance program, so that families are better prepared to deal with the increased benefit. "It is unusual to grant the equivalent of six Bolsa Família benefits at once. Although the current scenario requires a greater benefit for families."

More than a month ago, the **state** Pedro Fernando Nery already warned that the program was the most effective instrument to replace the income that families will lose during the pandemic. "Good proposals for the reform of Bolsa Família have been underway since last year."

Renovation

Economists heard by the report argue that Bolsa Família should be increased to a higher amount for longer than the three months of the emergency benefit. They argue that the amount of up to R \$ 205 will not be enough for Brazil after a pandemic.

One of them is Ricardo Henriques, who helped create Bolsa Família in 2003 and today is executive superintendent of Instituto Unibanco. He recalls that it is necessary to think about families that have lost income, even with the increase in the amount received from the benefit. "Families produced complementary incomes, many as informal."

He says that after the crisis it will be necessary to think about a policy of economic growth in the country that contemplates the transfer of income. "More people and families will be vulnerable. It will be necessary to maintain this minimum income and a larger amount of Bolsa Família for longer may be even necessary."

Even before the start of the payment of the emergency aid, last month, a survey by the Institute of Applied Economic Research (Ipea) already recommended that the program queue be zeroed and suggested even permanent readjustment of the program's payments and eligibility lines. approximately 29%.

"Given the lag in the purchasing power of the current benefits of Bolsa Família and the economic and social risks arising from the pandemic, it seems a low price to pay to guarantee a minimum level of well-being for the poorest," says Ipea.

"The share of the population below the poverty line will rise. The ideal would be to keep the benefit at R \$ 500 as a permanent rule. It is an expense that can be financed with the reintroduction of the tax on profits and dividends ", says José Luís Oreiro, from the University of Brasília.

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