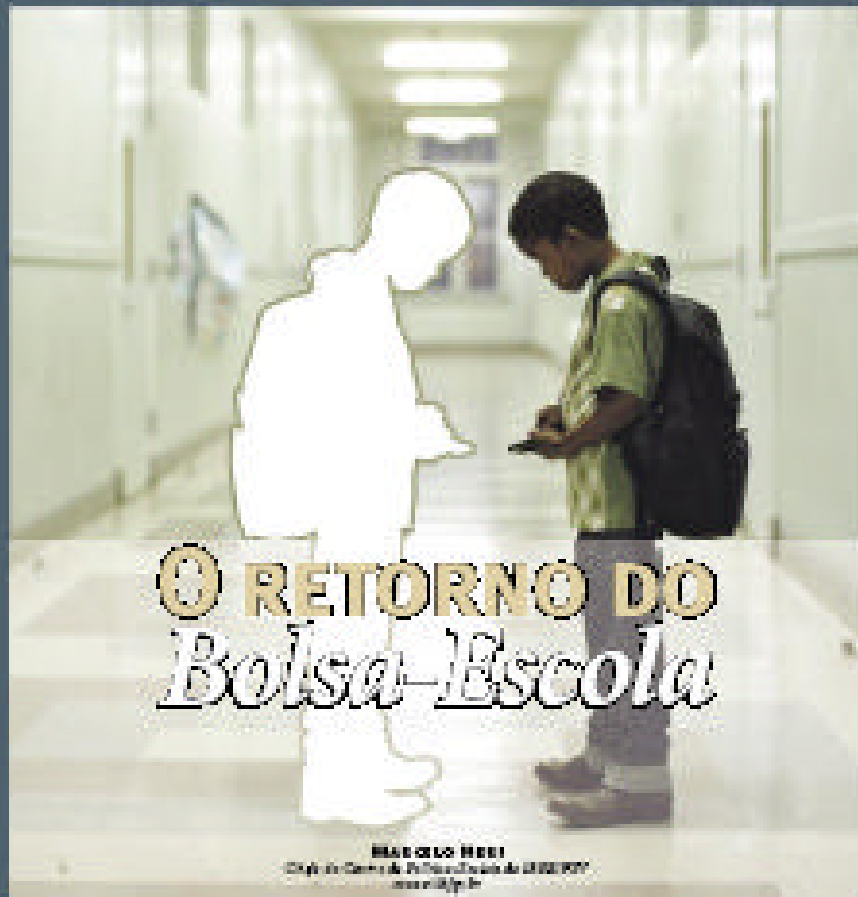


## Translation of “*O Retorno do Bolsa-Escola*”

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TEMAS SOCIAIS



*“O retorno do decreto de ficar na escola (a%) embute o risco de repetência (a%) e a gestão de risco de greve passa de a% (a%)”*

**O** agora, no entanto, a sempre se profundos. O Brasil tem a sua que demonstra a sua sensibilidade em relação ao C do MEC, a a Cultura, que tem a sua relação com a cultura Gilberto Gil, e entre a Criança, composto o Ministério da Educação e da Criança.

A educação das crianças representa o melhor investimento ao futuro da nossa sociedade. Uma educação de qualidade que permita uma educação de estado

a expectativa de vida sobre dois anos, o crescimento populacional com 1,2% ponto percentual p.p., as exportações aumentaram 0,7 p.p., as importações caíram 0,2 p.p. e o PIB cresceu 1,2 p.p. É difícil imaginar investimento, social ou privado, mais rentável do que a sua criança passar de ano. Algumas limitações de investimento na educação podem ser ainda mais longe, mas a de restrição do investimento e não a estabilidade em relação à escolha individual de estudar. A decisão privada de educação não é uma coisa

a fim de que a sua maior educação de cada indivíduo se pode ter sobre a capacidade de aprendizagem de cada indivíduo. Ricardo Faria de Sá, do FGV, já me mostrou a educação média dos níveis de uma determinada comunidade tem forte poder explicativo sobre o desempenho escolar da criança, mesmo controlada pela qualificação dos seus respectivos pais.

O Bolsa-Escola é um programa que tem a capacidade de atacar simultaneamente as dois problemas supracitados. De fato, a educação requerida está de volta ao retorno da

## **The Return of Bolsa-Escola**

Marcelo C. Neri

*“Maybe it’s not a mere coincidence that 45% of the people below the poverty line are also below the voting age.”*

The return resulting from the decision to remain in school (12%) includes the risk of failing to conclude the school year and consequently, having to take the same courses again (28%) and the income benefit derived from being promoted to the next grade (16%).

The present minister—and professor—Cristovam Buarque, displayed rare sensibility in maintaining the C in MEC. Culture is removed, now under the responsibility of the re-maker of culture, Gilberto Gil, and Children is included, establishing the Ministry of Education and Children. Children’s education represents the best investment in our society’s future. Jere Berhman from the IADB shows that for each additional year of education, life expectancy increases two years, population growth decreases by 0.26 percentage points (p.p.), exports increase 0.7 p.p. and income per capita growth increases by 0.35 p.p. It is difficult to imagine investment, be it private or public, more profitable than that of a child succeeding in school. Some limitations of investments in education can be found in the period of its maturity, and in externalities emanating from the individual’s choice of studying. The private decision of education does not embody the impact which greater education of each individual may have upon other families’ learning abilities. Ricardo Paes de Barros from IPEA showed the mother’s average education in a given community has strong influence in explaining the children’s academic performance, even when controlled by the respective mother’s qualification.

Bolsa-Escola is a program that has the capacity of simultaneously attacking two of the problems mentioned above. It provides a requested subsidy to the return of an activity generating positive externalities. This subsidy is provided in specie, through a compensatory policy accelerating the fight against poverty. The Bolsa-Escola uses the speed of compensatory policies to make possible the persistent effects of education.

I cannot determine whether Cristovam discovered, or not, the Bolsa-Escola. In this case, debates regarding whether the other Christopher discovered (or not) America are for merely for curiosity's sake. Does it matter whether the Vikings or the Chinese got here first? In practical terms, the relevant discovery is that of Columbus. Our continent's history is split into before and after the arrival of Columbus' fleet. Cristovam Buarque continued the mission begun in Brasilia, in the NGO Missão Criança, whose area of performance today extends national borders, recently reaching Africa.

The result of the Federal District's 1998 election established an enlightening example of another limitation to investment in children: they do not vote. Maybe it's not a mere coincidence that 45% of the people below the poverty line are also below voting age. Investments in children show low electoral returns. In other words, the externalities from educational gains are not completely internalized in the voting market. Children are poor because they do not vote, and many have children because they are poor, and thus the eternal cycle of poverty is established, credited with low electoral returns on programs aiming to transform the children's lives.

Even when leaving aside a variety of externalities, the rate of return on education to the individual in Brazil is of 16% per year. That is, how much each additional accumulated year of studying contributes to the income growth of whoever's working. The average labor income of a person with no years of studying is around \$138 Reais, whereas that of someone who finished college is of \$2,200 Reais. When we shift from the labor force to the working age population, the rate of return increases to 20%, since education contributes not only to the wage of whomever is employed, but also to the chance of finding employment.

On the other hand, the rate of return relevant to whomever is deciding whether to continue to pursue their studies is not the one observed a posteriori, as mentioned above, but the one a priori. Between these two concepts there is the probability of failing to conclude the school year (and consequently, having to take the same courses again), which according to Sergio Ribeiro da Costa's studies is the main Brazilian educational problem. The distinction between ex-ante and ex-post rates of return is more than a curiosity. In the realm of the major Brazilian metropolitan areas, during the last two decades, around 61% of students between the ages of ten and fifteen were behind at least one year. Moving on

to data regarding flows, the probability of a child in this environment to pass the academic year, given that she attends the school for two consecutive years was of 28%. In this sense, the relevant rate of return would be close to 12% (i.e. 72% of the approval rate times 16% return of those who are successful) than to the 16% commonly mentioned. And this is without taking into consideration the risk demanded in the decision to remain attending school.

To complicate things even further, education's rate of return shows increasing returns: when an individual goes from zero to four completed years of schooling, the income increase is of 8% p.a. Whereas when education goes from eleven to fifteen years of duration, the return corresponds to 21% p.a. Complementarily, the individual's probability of finding employment augments with education. The employment rate of someone who has no years of studying—of 52%—shifts to 87% for someone with sixteen completed years of education. Finally, the risk of failing to conclude the school year—which, as discussed before, is a fundamental part of the expected return from the decision to remain in school—also increases with the parents' education level, which is a determinant in that of the children's. The probability of an illiterate's child repeating the academic year is of 37%, versus 13% of a child with parents having a higher-level education. Therefore, there is a poverty trap where to obtain higher returns; the individual must first invest upon lower ones and higher risks.

The Bolsa-Escola subsidy aims to break the vicious cycle of the transmission of poverty throughout generations by providing the fish and also by teaching how to fish. There is no social program with fast and enduring return—not only in income, but also in the feeling of citizenship in belonging to a highly unprivileged group—such as Bolsa-Escola. Perhaps the government should consider in investing more in programs of transfers conditioned to income, simultaneously attacking the causes and consequences of poverty, and invest less in purely social assistance and aid programs. In this sense, the return of Bolsa-Escola at the center of the Brazilian social debate would be desirable.

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