

Ten years of the Bolsa Família Program in Brazil and the Perspectives of the Citizen's Unconditional Basic Income in Brazil and in the World

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Eduardo Matarazzo Suplicy is currently a Brazilian Senator for the State of São Paulo, three times elected: in 1990, with 4.2 million or 30% of the valid votes; in 1998, with 7.6 million or 43% of the valid votes; and in 2006, with 8.986.803 or 47.8% of the valid votes. The Worker's Party (PT) Direction in São Paulo, by unanimous vote, decided to indicate him again for a fourth mandate as Senator for the October 5 elections. The PT Convention that will officially nominate him will be held in June 21. Suplicy was also a professor of Economics at the School of Business Administration of the Fundação Getúlio Vargas in São Paulo, from 1966 to 2012, when he retired. He received his MBA and PhD at Michigan State University. In 1971/2 he was a visiting scholar and a professor at Stanford University. Suplicy is the author of "The Effects of Mini devaluations in the Brazilian Economy", his 1973 Ph.D thesis, published in 1974, by Fundação Getúlio Vargas; "International and Brazilian Economic Policies", Editora Vozes, 1979; "Citizen's Income. The exit is through the Door", Editora Fundação Perseu Abramo and Cortez Editora 2002, 4th ed. in 2006 (Editions Calmann-Lévy, Editor of books of Marcel Proust and Celso Furtado, has just decided to publish this book in France); and "Citizen's Basic Income. The Answer is Blowin' the Wind", L&PM pocket, 2006, all of them in Portuguese. He is the author of the initiative approved as a law that says that an unconditional Citizen's Basic Income will be gradually instituted in Brazil. From September 2004 to 2008 he was Co-Chair of BIEN, the Basic Income Earth Network. He was elected during the XI International Congress of BIEN, in Barcelona, when the Basic Income European Network was transformed into the Basic Income Earth Network and reelected in the XII International Congress in Capetown. Since the XIII International Congress of BIEN held in São Paulo, in 2010, he is Co-President of Honor of BIEN.

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I also thank the Iranian authorities who invited me to participate in the official mission of the National Congress, along with Senator Valdir Raupp and Federal Representatives Edson Santos and Ivan Valente, to visit the country between 15 and 18 last February, and to be able in sharing information about the social, economic and technological developments of Brazil and Iran. As part of that trip, I had the opportunity to exchange ideas with government officials as well as with

students and professors from the University of Tehran on the pioneering experience that Iran is implementing, as explained in the winner's work "2010 BIS Essay Prize," by Hamid Tabatabai: "The Basic Income Road to Reforming Iran 's Price Subsidies " , published in *The Basic Income Studies, An International Journal of Basic Income Research*, Vol 6 , number 1, June 2011. In Tabatabai's words, in free translation "Iran became the first country in the world to provide a basic income in fact to all citizens. This article reviews the development of the main component of the country's economic reform plan - replacing the fuel and food subsidies with direct income transfers to the population - and shows how a universal, unconditional and regular income transfer system came from almost automatically as a byproduct of an attempt to transform an inefficient and unfair price subsidies system."

I.	From Bolsa Família to the Citizen's Basic Income	3
II.	The Basic Idea	7
III.	The first proposals for a minimum income and for basic income	9
IV.	The guarantee of a subsistence income in the 20th century	12
V.	The creation of BIEN, the Basic Income Earth Network	19
VI.	The pioneer experience of a basic income program in Alaska, USA	22
VII.	A good proposal for the democratization and pacification of Iraq	24
VIII.	The maturation of the Citizen's Basic Income proposal	26
IX.	The precursors in Brazil	29
X.	From Minimum Income to Citizen's Basic Income	29
XI.	Conclusion	40
XII.	A Letter to President Dilma Rouseff	42
XIII.	Table 1: Coverage of the Bolsa Família Program by State	49
XIV.	Table 2: Coverage of the Bolsa Família Program by Capital of State	50

Alongside the expansion of government services, such as education, health care, and sanitation, as well as development programs for agrarian reform and micro-credit, another formidable instrument for eradicating absolute poverty and improving income inequality in the world is the *citizen's basic income*. Such a sensible solution is already being instituted to varying degrees in certain parts of the world, such as Brazil. This text seeks to answer if and when cash transfers will be provided in Brazil on a universal basis, without eligibility controls or limits: Is there a way everyone can benefit? Yes, as it will be shown.

I. From Bolsa Família to the Citizen's Basic Income

In October 2003, Brazilian President Luiz Inácio Lula da Silva launched the conditional cash transfer program *Bolsa Família* as a means of eradicating absolute poverty. There were some adjustments since then. In June 2014, all families with a monthly income up to R\$154 per capita (implying a situation of poverty), and dependent children under 15 years and 11 months of age, as well with adolescents from 16 to 18 years of age, are eligible for the program. Families with pregnant or nourishing mothers are also eligible. If the family's per capita income does not surpass R\$ 77 (indicating a situation of extreme poverty), it receives a basic payment of R\$ 77, plus – and this is for all families with monthly income per capita below R\$ 154 – R\$35 per child up to 15 years and 11 months, for up to five or more children, plus R\$ 42 per each one or two adolescents from 16 to 18 years of age. In order to receive the cash transfer, families must demonstrate that their children of less than six years of age are vaccinated in accordance with Ministry of Health dictates and are regularly visiting the government health centers for physicals. Furthermore, children between ages six and 16 must attend school at least 85 percent of the classes. Adolescents must attend school at least 75% of the classes. Parents, whenever possible, should attend literacy or professional courses.

The creation of Bolsa Família in October 2003 unified four existing income programs: *Bolsa Escola* (School Scholarships), *Bolsa Alimentação* (Food Aid), *Auxílio-Gás* (Gas Subsidies) and *Cartão Alimentação* (Food Cards). At the time of their unification, around 5 million families were registered in Bolsa Escola, 1.7 million in Bolsa Alimentação, 774,000 in Cartão Alimentação, and 9.7 million in Auxílio-Gás. Many participants were receiving more than one benefit: on average, each participating family was enrolled in 1.8 programs. In December 2003, the Bolsa Família program was reaching 3.5 million families; by December 2005, the number had reached 8.7 million. By June 2006, the program targeted 11.2 million families. In December, 2012, the program had 13.902.155 and, in December 2013, 14.086.199, respectively, families beneficiaries. In May 2014 the beneficiary families were 13,940,270, showing a slight decrease if compared to December 2013. This means, if we consider approximately 3.5 members per family, that about 50 million or ¼ of the present Brazilian population of 201 million inhabitants are being benefited by the Bolsa Família Program.

Since 2011, President Dilma Rousseff launched an effort, appealing to all State and Municipal Governments, as well as all organizations and citizen's in society to pursue the "Active Search". That is, if we know of any family that receives up to R\$ 140 per capita per month up to May 2014, or up to R\$ 154 per capita per month, from 1st. June 2014 and is not yet enrolled in the Bolsa Família Program, we should tell her that she might go to the Municipal Social Secretary to enroll herself

in the program. According to the site of the Ministry of Social Development, in January 2014, there were 18.618.493 families registered in May 2013 with monthly income per capita up to R\$140. Of those, 14.086.199 families, corresponding to 75,66% were being beneficiaries of the program. In February 2014, there were 18,753,362 households with monthly per capita income of up to R\$ 140. Among these, in May 2014, there were 13,940,270 families receiving the Bolsa Família Program, corresponding to 74.33%. Of the 27 units of the Federation, there are 4 States with a proportion of more than 80%, 16 between 70 and 80%, and 7 between 59 and 70%. At the end of the lecture, tables show the Bolsa Família coverage in each of the 27 Federal Units and in all State Capitals and in the Federal District.

Since 2013, President Dilma Rousseff launched the Brazil Caressing, or Brasil Carinhoso phase of the Bolsa Família, through which if the monthly family income plus the benefit of the Bolsa Família Program divided by the number of members of the family does not reach at least R\$ 70 (approximately US\$ 30), or R\$ 77 from 1st June 2014 on, then the Federal Government will complement the necessary for the family to receive at least R\$ 70 per capita, R\$ 77 per capita from June 1st 2014 on. The level of R\$ 70 per capita per month, established from June 2011 to May 2014, and of R\$ 77 per capita per month, established from June 2014 on, takes into account the level of US\$ 1.25 per day per person, considering the purchasing power parity official extreme power level defined by the United Nations Organization.

Together with other instruments of economic and social policies, such as the increase in of 72% in the value of the minimum wage above inflation, in the past ten years, the effort to increase job opportunities, 21.5 million new jobs were created in ten years, as well as the expansion of educational and public health assistance opportunities, the Bolsa Família Program contributed significantly for the diminishing of absolute poverty and of inequality in Brazil. The Gini coefficient of inequality, that had reached 0.599, in 1995, and 0.601, in 1996, when Brazil was among the three most unequal nations in the World, gradually diminished each year from 0.594 in 2001; 0.587 in 2002; 0.581 in 2003; 0.569 in 2004; 0.566 in 2005; 0.559 in 2006; 0.544 in 2008; 0.530 in 2009; 0.529 in 2010; and 0.519 in 2012.

Due to the positive results of the Bolsa Família Program, the Brazilian Government, during the Global Forum of Social Security, last November 13, received the Prize for Extraordinary Achievement in Social Security. In this ceremony, representing President Dilma Rousseff, Minister Tereza Campello, of Social Development and Fight against Hunger, emphasized that the drawing of the program is to alleviate hunger and poverty, include children in education and reduce school abandon, and to provide coverage and access to health to the beneficiaries, mainly children, pregnant and nourishing mothers.

According to Campello, the social technology of the Bolsa Família may be summarized in three items:

1. A Family Cadastral made in simple form, declared by the families, organized by each of the 5.570 municipalities of Brazil;
2. Magnetic card and a financial system that allows the transfer of money directly to the beneficiaries, without intermediation, with control and transparency;
3. Priority for the women to be the responsible for the card. She decides in what to spend and the research of the Ministry indicates that she is responsible for the most efficient destination of the resources: the sons and daughters. 83% of the title holder of the cards are women.

The Brazil Without Misery strategy had the Bolsa Família Program the main vehicle that together with other actions such as professional qualification courses, access to energy in the rural areas, popular housing programs such as the Minha Casa, Minha Vida, My House, My Life, that has built more than 3 million houses or apartments that were financed in long term installments, along ten years, with relatively low interest rates to low income – up to R\$ 5.000 per month – families.

In spite of those efforts and progress, Brazil is still the sixteenth most unequal nation in the world, according to the World Bank Report, in 2012. According to the Brazilian IBGE Census of 2010, the 10% poorest lived with 1.1% of the National Income whereas the 10% richest had 44.5% of it.

Today, providing the basic minimum to Brazilians in need requires a meticulous verification process for program eligibility. As the press has already reported, it is often difficult to check the income of each family member, especially those working in the informal economy. How does the government control for possible variations on economic status and income? Are enough controls supplied by the observations of neighbors and the press, who monitor the tangible benefits from Bolsa Família to each family? Is there a way to solve this problem and simplify the verification process? Yes, in the form of Law 10.835/2004, approved by the National Congress in 2003 and sanctioned by President Lula on January 8, 2004. This law gradually implements the Citizen's Basic Income.

What is Law 10.835/2004?

The Law of Citizen's Basic Income guarantees the right of all Brazilians, regardless of their socio-economic status, including foreigners living in Brazil for five years or more, to receive an annual cash transfer. This program's incorporation will be accomplished in numerous stages, with priority given to the more vulnerable segments of society. The transfers, made in monthly installments, are to be sufficient to meet the needs of each person within the context of the country's development and budget possibilities.

When the Executive defines the amount to be awarded it will have to take into consideration the constraints mandated by fiscal responsibility. Future laws related

to the five-year plan and the budget guidelines, should specify cancellations and transfers of expenditure as well as any other measures necessary for the implementation of the 'Citizen's Basic Income Program'.

All Brazilians with high and low levels of income, including those already have more than the necessary means for survival; will receive the Citizen's Basic Income. Why include those who already have enough that they do not need the Citizen's Basic Income for their survival? These people will be included so that they too will collaborate more effectively to allow everyone to receive the Citizen's Basic Income. This is the way to effectively reach all impoverished people. Brazil will see the following benefits from the institution of the Citizen's Basic Income:

- elimination of all bureaucracy involved in determining individual incomes for the purpose of receiving the cash transfer;
- the end of the stigma that discourages individuals from revealing their low income level in order to receive a complement;
- facility in explaining to the whole population through the means of communication the right of everyone to receive an equal basic income and the straightforward process for obtaining it;
- the end of the dependency phenomenon that causes the poverty and unemployment traps in programs defining the right to a benefit by income level, as these programs deter individuals from pursuing economic activity with the knowledge that the government will cease providing benefits when this activity increases his/her income. With the Citizen's Basic Income, any increase resulting from work and personal initiative will not affect the guarantee of equal benefits for all citizens;
- individuals' valid efforts to gain employment, given that they can keep the full amount of the basic income whether or not they are employed; the program ensures that individuals' personal economic standing will improve regardless of employment standing;
- there will be no more incentive for the employee not to be formally registered as it happens sometimes today in Brazil when a person tries not to lose the right to the Bolsa Família Program;
- increased employment, creating a subsequent increase in demand for goods and services of necessity that works as an incentive for economic growth;
- remuneration for activities that are not traditionally considered to be economically relevant, such as child-rearing, caring for the elderly or for the deficient and other activities which help to better society (participation in the arts, community associations, religious organizations, etc.);

- extension of the right to private property protected in the Brazilian Constitution, giving all individuals a right to an income—currently, landowners are permitted to earn an income in the form of profits, rents, and interest without conditions for participation in the economy, so why should not all citizens be ensured the rights of partners in the country and receive a modest income, guaranteeing them the right of full citizenship?

Over the last 24 years, this author has spoken on the advantages of the Citizen's Basic Income to universities, trade unions, business associations, and civil society organizations, and in national forums throughout Brazil. President Lula's decision to sanction Law 10.835/2004 apparently proves that he also approves and believes in this idea; but successful implementation requires the support of large number of Brazilians in advance, to provide it direction and turn it into a reality. When examining the bill of law in the Senate that would implement the Citizen's Basic Income program, Senator Francelino Pereira (PFL-MG) was assigned to the Committee on Economic Affairs as a rapporteur. Upon analyzing the proposal, he considered it favorably but proposed a more gradual introduction in order to comply with the Law of Fiscal Responsibility. The Senate soon agreed on this principle, helping reach a consensus in the Senate, as well as in the Chamber of Deputies. All parties voted in favor of the initiative, with only a few objections coming from some representatives. The idea of a gradual evolution and the decision to place initial priority on extending the program to citizens with the greatest need (until it could feasibly be extended and deliver to everyone), enabled Minister of Finance Antonio Palocci to convince President Lula of its feasibility, leading the president to sanction the new law.

Yet even governments with the best intentions and ideals can only act in accordance with the will of society.¹ This report intends to explore the fundamentals of the proposal for a Citizen's Basic Income, its beginnings, and the results of similar experiences in several countries around the world. It will also explore how the proposal is consistent with the hopes of Brazilians and of humanity for justice, equality, freedom, fraternity, solidarity and democracy. It is an idea that is increasingly winning the support of economists, philosophers and social scientists from across a large spectrum of thought.

II. The Basic Idea

The fundamental idea for the Citizen's Basic Income has its roots in ancient history. Writing in the sixth century BCE, Confucius observed that "uncertainty is even worse than poverty...Can anyone go out from his home except through the

¹ SCHAFFARMAN, Steven "Mobilizing Support for Basic Income", lecture presented at IX International Congress of BIEN, September 2002. See also: Saul Alinsky, *Rules for Radicals* (New York, Vintage Books, 1972).

door?”² This is why the name of my book is “Citizen’s Income. The exit is through the door.” To demonstrate that the eradication of absolute poverty and the construction of a more equal and fair society can be achieved with the Citizen’s Basic Income—the right of all individuals to share in the wealth of the nation by way of a modest income that guarantees that they can meet their basic needs.

Aristotle wrote that the objective of politics is a fair life achieved by the common good. However, for all individuals in the state to achieve a fair life, it is necessary to establish political justice, which should be preceded by a distributive justice created by law.³ Karl Marx’s presented similar ideas on justice when he wrote of men’s mature form of behavior in society: “from each according to his ability, to each according to his need.”⁴ According to John Kenneth Galbraith, Marx’s conception of justice that can be found in *Critique of the Gotha Program* of 1875, with only 12 words, had a more revolutionary effect than did even *Das Kapital*.⁵

In 1992, the author of this paper delivered a lecture to several religious communities: the *Conferência Nacional dos Bispos do Brasil* (National Conference of the Bishops in Brazil), the *Pastorais da Terra* (The Pastorals of Earth) and the *Comunidades Eclesiais de Base* (Christian Base Communities). The address explained how many economists from multiple schools of thought had defended the idea of a universal minimum income. At the end of the lecture, then-president of the CNBB D. Luciano Mendes de Almeida replied that it was not necessary to quote Karl Marx in defense of the universal minimum income because it was better defended by Saint Paul in his Second Epistle to the Corinthians.

Marx’s comment in favor of relative equality among individuals’ contributions to and benefits taken from society is similar to the deep aspirations and hopes found in major religious traditions. According to Rabbi Henry Sobel of São Paulo, the most frequently quoted word in the Old Testament of the Bible is “Tzedakah” and it appears 513 times. In Hebrew, the word refers to justice in society—social justice. We can see many passages stressing the need for “Tzedakah” in Deuteronomy, in Proverbs, in Isaiah and in Exodus. It is no coincidence that meetings of the *Movimento dos Trabalhadores Rurais sem Terra* (The Landless Rural Workers Movement, MST) frequently include readings from the Book of Exodus, recalling the fight for the promised land and the broader fight for greater social justice. In the Acts of the Apostles of the New Testament, one can also find principles that approximate the Marx’s statements: “And they continued steadfastly in the apostles’ doctrine and fellowship, and in breaking of bread, and in prayers. And fear came upon every soul; and many wonders and signs were done by the apostles. And all that believed were together; and had all things common; and sold

² CONFÚCIO, *O Livro das Explicações e respostas em 20 capítulos* (São Paulo, Landy Livraria and Editora, 2001). Guy Standing stressed this point on a lecture during the Conferência Internacional sobre Renda Mínima, Discussões e Experiências, August 11-12, 1998, presentation by Eduardo Matarazzo Suplicy, Federal Senate, p.30-36 and 113-120..

³ ARISTÓTELES, *Política* (Brasília, Ed. UnB, 1987).

⁴ MARX, Karl (1875) *Critica ao Programa de Gotha* (Porto, Portucalense, 1971).

⁵ GALBRAITH, John Kenneth, *A era da incerteza* (São Paulo. Pioneira. 1980).

their possession and goods, and parted them to all men, as every man had need” (Acts, 2:42-44). As Mendes de Almeida pointed out, a clear defense of the basic income project was made by Saint Paul in the Second Epistle to the Corinthians. He recommended that the Macedonians follow the example of Jesus, who had decided to join the poor and to live among them. As is written, he was preaching for more justice and equality: “He that had gathered much had nothing over; and he that gathered little had no lack” (2 Corinthians, 8:15).

According to the Qur’an and the writings of its followers, the teachings of the principles of justice and equality in Islam are similar to those of Christianity. In the Book of Hadith, Omar, the second of the four caliphs that followed Muhammad, recommended to the citizens with large properties or gains that they reserve a portion for those with less or nothing. The defense of a minimum income is also consistent with Buddhist principles, according to the assertions of the Dalai Lama in *Ethics for the New Millennium*.⁶ He affirmed that if one accepts the luxurious consumption of the very rich, it is first necessary to ensure the survival of all humanity.

III. The first proposals for a minimum income and for basic income

Thomas More, writing in *Utopia* in 1516, observed the disutility of the death sentence, which he argued had failed to reduce robberies, assaults and homicides in sixteenth-century England, and would be better substituted for a universal income that would eliminate the “frightful necessity of becoming, first a thief, and then a corpse.”⁷ Ten years later, based on More’s reflections, a friend of his, Juan Luis Vives, made the first proposal for the basic minimum income in *De subvencione pauperum sive de humanis necessitatibus*, communicated to the mayor of Bruges, a Flemish city in Belgium then under Spanish control. The works of More and Vives had a great influence on “The Poor Laws” created in England and Spain later in the 16th century.⁸ Beginning in 1531, these laws allowed elders and handicapped people to beg for alms at the parishes. Soon afterwards, religious houses were authorized to raise funds together with landowners in order to give provisions to the poor who were then consequentially disposal to work in their respective regions. These laws were severely criticized by classical economists like Adam Smith, David Ricardo and Thomas Malthus and from another perspective by Karl Marx. A majority of the criticisms put forth by Marx and by Smith take into account the manner in which the subsidy provided a form of support to the poor, but in return restricted their movement, in that they had to remain within a given territory.⁹

⁶ DALAI LAMA, *Uma ética para o novo milênio* (São Paulo, Sextante, 5a ed., 2000).

⁷ MORE, Thomas, *Utopia*, São Paulo, Martins Fontes, 1999.

⁸ To examine the several forms in which The Poor Laws were formulated since the beginning of the 16th century, please see text on “The Poor Laws” in the *Encyclopedia Britannica*.

⁹ Classical economists’ analyses of The Poor Laws are described more extensively in SUPLICY, Eduardo *Citizen’s Income: The Exit is Through the Door*.

Two hundred years later, Thomas Paine, one of the great voices of the American Revolution, articulated the principal reasons for everyone's unalienable right to share in the wealth of the nation. In *Agrarian Justice*, an essay sent in 1795 to the Directorship and to the Parliament of France, Paine observed that poverty was inherent to the right to private property. Paine based his claim on the fact the indigenous people of America had been in a situation of less misery than that he had seen in European villages and cities. He stated, "It is a not a controvert position that the earth, in its natural, uncultivated state was, and would have always continued to be, the common property of the human race."¹⁰ He considered it just that the individual who cultivated the land and made some improvement should have the right to reap the rewards of his work. Additionally, Paine argued that "every proprietor of cultivated lands owes to the community a ground-rent," and that from the rent paid by each proprietor, a common national fund should be constituted. The yield of this collection should be distributed in equal dividends to everyone, in order to compensate for the loss of that natural inheritance of all mankind. Every person, regardless of property ownership, at the age of twenty-one years should receive a cash payment, and when individuals arrived at the age of fifty, they should receive cash transfers throughout the remainder of their life because "every individual was born in the world with the legitimate right to a certain property or equivalent." Paine defended this payment as a right, not as a charity.

According to researchers from the Basic Income Earth Network (BIEN), the proposal of a non-conditional basic income has existed for at least 200 years and a great part of this proposal was inspired by the works of the radical Englishman Thomas Spence, who also worked with the ideas of Paine and utopian French socialist Charles Fourier.¹¹ Each time the investigators at BIEN deepen their surveys, they discover even more pioneers who had presented the proposal for a basic income—often independently, though at times after having interacted with other thinkers. In a pamphlet published in London as *The Rights of Infants* in 1797, Spence criticized Paine's *Agrarian Justice* for having been "an abominable building of opportunism and tolerance".¹² Afterward, Spence reformulated the proposal that he had defended tirelessly throughout his youth and proclaimed that each city should have auctions to cover all local public expenditures including the building and the maintenance of real estate, as well as taxes paid to the government, that would distribute equal parts of the surplus among all residents to ensure their subsistence.

In 1848, Belgian lawyer Joseph Charlier published *Solution du Problem social ou constitution humanitaire*. Having been inspired by Fourier, Charlier observed that

¹⁰ PAINE, Thomas (1796), "Agrarian Justice" in FONER, P.F. (ed.) (1974), *The Life and Major Writings of Thomas Paine* (Secaucus, NJ, Citadel Press, 1974).

¹¹ PARIJS, Philippe Van, *What's wrong with a free lunch?* foreword by Robert M. Solow, edited by Joshua Cohen and Joel Rogers for *Boston Review* (Beacon Press, Boston, 2001).

¹² SPENCE, T. (1797) "The Rights of Infants", in CUNLIFFE, J. and ERREYGERS, G., *The Origins of Universal Grants* (Basingstoke, Palgrave Macmillan, 2004, p. 81-91).

within the equality of rights to land and property was the basis of an unconditional right to a basic income. He developed this theme in *The Social Question Solved Preceded by the Philosophical Testament of a Thinker*. He rejected the idea defended by Fourier himself: that the right to a basic income should be determined according to a formula that would verify the accessibility of a certain income to the individual, as Fourier's work was based on the premise that it was natural to defend the right of each person to receive a sufficient remuneration for their work. Under the labels of "minimum" or "guaranteed income" (later referred to as a "territorial dividend"), Charlier proposed that all citizens should have the unconditional right to a regular payment of an annually fixed sum by a representative from a national council, based on the rental value of all properties. This scheme would bring an end to capital's domination of labor. But would it encourage idleness?

"Hard luck for the lazy: they will be put on short allowance. Society's duty does not reach beyond securing each a fair share of the enjoyment of what nature puts at his disposal, without usurping anyone's rights." Anything above the minimum will have to be earned."¹³

During the year following the publication of Fourier's work, John Stuart Mill released the second edition of his *Principles of Political Economy*. Within, he presented Fourier's ideas but concluded with an unambiguous proposal for an unconditional basic income: "In the distribution, a certain minimum is first assigned for the subsistence of every member of the community, whether capable or not of labour. The remainder is shared in certain proportions, to be determined beforehand, among the three elements of labour, capital and talent."¹⁴

The concept of a Basic Income was also defended by the founding thinkers of Political Economy in consonance with the traditions of the free market.¹⁵ Marquis Condorcet, writing on the wheat market in 1776, says, "That all members of the society should have assured the subsistence of each season, in each year and wherever they were living [...] is of the general interest of all nations." It is in keeping with this claim that the transfer paid to all Brazilians as their portion of the Citizen's Basic Income will be a right equally as important as the wage paid by their regular jobs. All Brazilians and foreign residents will enjoy the right to participate in the wealth of the nation, to reap the rewards of past generations and all the people

¹³ CHARLIER, Joseph, *Solution du problème social ou constitution humanitaire* (Brussels, Chez tous les librairies du Royaume, 1848) and FOURRIER, Charles (1836), *La Fausse Industrie* (Paris, Antropos, 1967). An analysis of Charles Fourier's ideas was presented by CUNLIFFE, John and ERREYGER, Guido in "Fourierist Legacies: From the 'Right to the Minimum' to 'Basic Income', at a conference at the History of Economic Society in Greensboro, North Carolina, 1999.

¹⁴ MILL, John Stuart (1848), *Princípios de economia política: com algumas de suas aplicações a filosofia social* (São Paulo, Nova Cultural, 1988).

¹⁵ ROTHSCHILD, Emma, "Security and laissez-faire" (in *Boston Review*, Vol. 25, Nº 5, October/November 2000). Also published in VAN PARIJS, 2001.

that collaborated in the past towards technological progress, and others, who worked as slaves without receiving remuneration, but who in effect collaborated to the development of the nation.

Although the proposal for a basic income had been defended as early as the 18th century by Thomas Paine and others, policies based on their ideas were not enacted until the 20st century in the United Kingdom and in France. When the proposal was finally considered in Britain, it was based on similar principles to those put forth by Paine but came in a modified form. Prime Minister Tony Blair sent a bill of law to Parliament affirming that every child born in the United Kingdom would receive a basic cash transfer of £250 in a bank account at birth and an additional £50 at the ages of 6, 11 and 16 years. If the child belonged to the poorer segment of the population these sums would be respectively £500 and £100. As the transfer is intended to accrue interest over time, when the beneficiaries turn 18 years old they have the right to enjoy these resources—which could mean a sum up to £5,000—to spend freely as they wish. The program, called the Child Trust Fund, was passed into law on May 13, 2003 and started to be used by families across Britain to finance their children’s education, start an enterprise, or used appropriately toward other ends. Recently, however, the Conservative Government finished the Child Trust Fund.

In 2004 Professor Bruce Ackerman of Yale University of Yale visited the Fundação Getúlio Vargas in São Paulo, where he noted that one of his post-graduate students had presented this idea to the Fabian Society, an organization that promotes democratic socialism in the United Kingdom, before presenting it to Blair, a friend of Ackerman. The thesis was eventually prepared for publication with Anne Allstott and was based on the original principals put forth more than 200 years earlier by Thomas Paine. The concept was that all U.S. citizens at the age of 21 should non-conditionally receive a basic capital of US\$80,000 to begin life as an adult.¹⁶ This proposal for a Basic Capital program is similar to that for a Basic Income because it can always transform capital into an income flow over time and vice versa. After many discussions about the pros and cons, Ackerman and Philippe Van Parijs have concluded that the best solution should be a combination of both.

Unlike the British, the Legislative Assembly of the French Republic has only partially accepted Paine’s recommendations. On June 24, 2004, the author delivered a speech at the symposium on Citizen’s Basic Income or Existence Revenue at the National Assembly of France, organized in co-ordination with Deputy Christine Boutin of the Union for a Popular Movement Party and president of the Forum of Social Republicans. Present at the meeting were representatives from several parties, among them Jean Le Garrec from the Socialist Party, and Roland Duchalet from the Vivant Party in Belgium. At this event the writer Maurice

¹⁶ ACKERMAN, Bruce and ALSTOTT, Anne, *The stakeholder society* (New Haven: Yale University Press, 1999).

Drüon from the French Academy of Literature proclaimed that “France should be the first nation to implement a full Citizen’s Basic Income or ‘Existence Revenue’” based on Paine’s original idea. Yoland Bresson, president of AIRE (Association for the Institution of Existence Income) presented a proposal at the symposium that would fix a lifelong income for the citizens from birth until death at 330 euros per month and which would be implemented gradually over a period of five years.

IV. The guarantee of a subsistence income starting in the 20th century

During the 20th century, philosophers, economists and social scientists emanating from large spectrum of thought explored the need to provide every citizen with a minimum income required for basic survival. After analyzing the great social movements that occurred around the time of the First World War, philosopher Bertrand Russell in 1918 published *Roads to Freedom: Socialism, Anarchism and Syndicalism* and affirmed the following:

“The plan we are advocating amounts essentially to this: that a certain small income, sufficient for necessities, should be secured to all, whether they work or not, and that a larger income, as much larger as might be warranted by the total amount of commodities produced, should be given to those who are willing to engage in some work which the community recognizes as useful.”¹⁷

In the same year that Russell published *Roads to Freedom*, Mabel and Dennis Milner published a much debated text, *Scheme for a State Bonus*.¹⁸ Dennis Milner elaborated further in 1920 with his publication of Higher Production by a Bonus on National Output. These books both presented a proposal of minimum income that varies according to levels of national productivity.¹⁹ The Milners’ proposition was that “all individuals, all the time, should receive a small sum of money from a central fund that would be sufficient to maintain their life and freedom, should all else fail; that all people should receive a part of a central fund, in a way that all would have some sort of income to contribute proportionality to their capacity.” In 1919, Bertram Pickard argued in *The Reasonable Revolution: a Discussion of a State Bonus scheme, a proposal for a National Basic Income*, that it should be “a definitive recognition of the right to life, or better yet, the equivalent monetary sum to the right to the land”.²⁰ By drawing a parallel with the ‘Poor Laws’ instituted several centuries earlier, he affirmed that the weakness was in fact in the concession of the benefit only when the need could be proven, therefore failing to

¹⁷ RUSSELL, Bertrand (1918), *Os caminhos para a liberdade: socialismo, anarquismo e sindicalismo* (Rio de Janeiro, Zahar, 1977).

¹⁸ MILNER, Mabel e MILNER, Dennis. *Scheme for a state bonus* (Kent, Simpkin, Marshall & Co, 1918).

¹⁹ MILNER, Dennis, *Higher production by a bonus on national output: A proposal for a minimum income for all varying with national productivity* (London, George Allen & Unwin, 1920).

²⁰ PICKARD, Bertrand, *A reasonable revolution. Being a discussion of the state bonus scheme – A proposal for a National Minimum Income* (London: George Allen & Unwin, 1919).

concede any power to demand fair pay to the worker. Like the Milners, Pickard was also a Quaker, and all were members of a group formed for the defense of a 'State Bonus Scheme'. According to their proposal, 20 percent of all income in England should be collected in a fund to be used later for the payment of an equal amount to all citizens regardless of their age.

The British Labour party reacted skeptically and after a critical manifesto was written in 1921, the 'League for the State Bonus' dissolved. Nevertheless, political movements continued to contribute statements in favor of a minimum income. Major Clifford H. Douglas created the Social Credit Movement, which had important repercussions in other countries, including Canada, where the Social Credit Party was eventually founded in 1935. In 1929, George D. H. Cole presented a new proposal in *The Next Ten Years in the British Social and Political Economy*, and followed in 1935 with *Principles of Economic Planning*.²¹ Lady Juliet Rhys Williams, writing in *Something to Look Forward: A Suggestion for a New Social Contract* in 1943, proposed a scheme of social dividends that would ensure "everyone had his/her basic needs; from each one the same percentage of his income only with the prosperity of all the community".²² In 1937, Joan Robinson suggested in the *Introduction to the Theory of Full Employment* distributing one pound sterling to all members of the population on Saturdays. Abba P. Lerner wrote *The Economics of Control: Principles of Welfare Economics* in 1944, proposing the institution of a fixed sum as a negative income tax and Oskar Lange, in *On the Economic Theory of Socialism*, presented another form to guarantee some income for each person.²³

In the 1930's, James Edward Meade –who as later honored with the Nobel Prize in Economics in 1977– was one of the main members of the *Cambridge Circle* which met to discuss the works of John Maynard Keynes. He defended the implementation of a citizen income or, a social dividend, in *An Outline of Economic Policy for a Labour Government* in 1935. Meade considered this instrument important for increasing employment in the economy.²⁴ In Meade's works he relates his long journey in search of Utopia. Yet no matter how much he navigated, he did not succeed in finding it. On the way back, however, he came across the concept of *Agathotopia*. The Agathopians knew where Utopia was, but they would not tell him because they were different from the Utopians, perfect human beings

²¹ COLE, George D.H., *The next ten years in British social and economic policy* (London, Macmillan, 1929); Cole, *Principles of Economic Planning* (London, Cassel & Co, 1935).

²² WILLIAMS, Lady Juliet Rhys, *Something to look forward to* (London, MacDonald and Co, 1943).

²³ ROBINSON, Joan (1937), *Introdução a teoria do emprego* (Rio de Janeiro, Forense-Universitária, 1980); LERNER, Abba Ptachya (1944), *The economics of control: principles of Welfare State* (New York, MacMillan, 1944); LANGE, Oskar, *Sobre la teoría económica del socialismo* (Barcelona, Ariel, 1969).

²⁴ MEADE, James Meade (1935), "Outline of an Economic Policy for a Labour Government". In Howson, S. (Ed) *The Collected Papers of James Meade. Volume I: Employment and Inflation* (London, Unwin Hyman, 1988); *Agathotopia: The Economics of Partnership*, (Aberdeen, Aberdeen University Press, 1989); *Liberty, Equality and Efficiency* (London, Macmillan, 1993); *Full Employment Regained an Agathotopian Dream*. Cambridge. Cambridge University Press, 1995.

that lived in a perfect place. Instead, the Agathopians were imperfect human beings guilty of foolishness and perfidies, but who had succeeded after all in building a good place to live.

Meade got interested in studying the institutions and societal relations of Agathotopia, and concluded they were the best society he had found until the humanity could simultaneously reach the objectives that it had been seeking for a long time:

- 1) Freedom, in the sense that each one is able to work in his/her vocation and is able to spend what he/she receives on the goods that he/she wants.
- 2) Equality, in the sense that there are no more great differences of income and wealth between and among individuals.
- 3) Efficiency, in the sense of reaching the highest possible standard of living given present resources and technology.²⁵

The conditions present in Agathotopia created sufficient flexibility in prices and wages to improve efficiency in resource allocation and for association between the entrepreneurs and the workers so that workers could participate in the benefits of the newly created wealth: the workers would be compensated in part with wages and the remainder would come in the form of lump sum payments for their participation. While the flexibility of wages could imply low levels of remuneration, and cooperatives and/or new forms of association might also have negative results, there should be a third fundamental arrangement: the existence of a social dividend or a guaranteed minimum income for each citizen. This option would eliminate the risk of failure that exists with either of the others by allowing society to directly control the amount of compensation that workers receive. In light of the failed experiences of those who tried to perform very abrupt transformations of a similar nature, Meade proposed to achieve these institutions by slow, but firm steps.

In moments of crisis, it is common for people to say that there are not enough resources to pay for programs of this kind. With respect to this claim it is important to stress what John Maynard Keynes said in 1939. In "*How to Pay for the War?*", published first in *The Times* and afterwards in *Persuasion Essays*, Keynes tried to convince his compatriots that although it was necessary to pay for the expenditures of war against Germany, it was also necessary to separate around 2 percent of the Gross National Product (about £100 million from a total of £5 billion), to ensure everyone a basic income.²⁶

It is noteworthy to recognize that economists from across a large spectrum of opinion reached the same conclusion about the importance of a minimum income

²⁵ MEADE, J.E. *Agathotopia*, op.cit.

²⁶ KEYNES, John Maynard (1939), "How to pay for the war?" in KEYNES, J., *Essays in persuasion* (London, Macmillan, 1972).

during the early 20th century. Even those who were honored with a Nobel Prize and are renowned for their defense of capitalism, together with their critics, shared this consensus. Friedrich Hayek wrote *The Road to Serfdom*²⁷ in 1944, criticizing communism and fascism while defending the market system, yet still stressed the importance of ensuring everyone's subsistence. George Stigler in 1946 observed that to achieve greater employment opportunities and to eradicate poverty, the negative income tax is more effective than the minimum wage.²⁸

Similarly, Milton Friedman argued in *Capitalism and Freedom* (1962) that capitalism is the system most consistent with the freedom of the human beings.²⁹ It does not however, completely solve the problem of poverty. The only instrument that can assist people that does not distort or impede the functioning and financing of the market is a negative income tax. The idea of a "negative income tax" was first used in economic literature by Antoine Augustin Cournot, founder of mathematical economics, in 1838.³⁰

The negative income tax can be defined for an individual or a family. Those who do not earn a certain annual or monthly income, are granted the legal right to receive a complementary amount that is equal to a proportion of the difference between their present income and the appropriate figure for an individual or a family. Supposing that the income threshold fixed by law for an adult of at least 18 years of age is R\$600 per month and the proportion is 50 percent, if the person is sick, unemployed or has a zero income for one month, that individual has the right to receive R\$300. If the person gets a job which pays R\$300 he/she will have a complementary income equivalent to R\$150 and his total monthly income rises to R\$450. In this arrangement, there will always an incentive for the person to progress because they are still permitted to increase their income level if they can procure employment—while no one will be denied a minimum income overall.

During the 1960's, another Nobel Prize winner in Economics, James Tobin, had many discussions with Friedman about macro-economic policy wherein they had developed the concept of negative income tax to study ways to combat poverty and to strengthen the economic status of blacks.³¹ Another notable author in this discussion was Robert Theobald, who was preoccupied that the degree of automation of industry would diminish paid work and that it would be essential to maintain a guaranteed minimum for consumption.³² Moreover, for forty years of

²⁷ HAYEK, Friedrich A. (1944), *O caminho da servidão* (Porto Alegre, Editora Globo, 1977).

²⁸ STIGLER, George, "The Economics of the Minimum Wage" (American Economic Review 36, 1946), p. 358-65.

²⁹ FRIEDMAN, Milton (1962), *Capitalismo e liberdade* (Rio de Janeiro, Editora Arte Nova, 1975).

³⁰ COURNOT A. (1838), *Recherches sur les principes mathématiques de la théorie des richesses* (Paris, Vrin, 1980).

³¹ See interview with James Tobin and with Milton Friedman in SUPPLICY, E. M., *Citizen's Income: The Exit is Through the Door* (*Renda de Cidadania. A Saída é pela Porta*); TOBIN J. (1965), "On the Economic Status of the Negro", (*Daedalus*, vol.94), p.878-98; TOBIN J., PECHMAN J.A. and MIESZKOWSKI P.M. (1967), *Is a Negative Income Tax Practical?* (The Yale Law Journal, vol. 77), p. 1-27.

³² THEOBALD R., *Free Men and Free Markets* (New York, Anchor Books, 1963); *The Guaranteed Income: next step in socioeconomic evolution?* (New York, Anchor Books, 1967).

his life John Kenneth Galbraith delivered numerous lectures in favor of a guaranteed minimum income, including one for which he received an honorary degree from the London School of Economics when he turned 90. He remarked the following:

“The answer, or part of the answer, is very clear: Everybody needs to have a guarantee of a decent basic income. A rich country, like the USA, can perfectly take everyone out of poverty. It is said however, that some of them would take this income and then not work. This is the way of the limited welfare system, as it is called. Let’s accept shall we that poor people have the same right to leisure, as rich people.”³³

In 1968, Tobin, Galbraith, Robert Lampman, Harold Watts, Paul Samuelson and 1,200 other economists sent a manifesto to the U.S. Congress in favor of adopting in that same year a guaranteed income program and a complementary system. The United States had already had several experiences with income transfer programs such as the 1935 Social Security Act, created by the government of Franklin Delano Roosevelt. This act established a program of Aid for Families with Dependent Children, which in turn paid a complementary amount to families below a certain level of income, particularly single-parent families experiencing difficulties in raising their children and providing them with an education. According to the assessment of the first director of the Social Security system of the US government, Arthur J. Altmeyer, the failure to implement a minimum income provision for every U.S. citizen in 1935 was a “crucial error;” this view was also expressed by Leslie Lenkowsky in his analysis on the debate about the negative income tax.³⁴ In 1964, President Lyndon Johnson’s administration created a Food Stamps program that could be used for the purchase of food. There was also a supplementary system which assured that elderly and disabled people had a certain guaranteed income. In 1969, then-President Richard Nixon asked a former assistant to Presidents Kennedy and Johnson, Daniel Patrick Moynihan, to formulate the Family Assistance Plan, which would signify a negative income tax.

On August 10th, 1969, President Nixon delivered a speech to the nation saying that the U.S. would achieve two things that the former generation considered impossible: first, a successful trip to the moon (Neil Armstrong had landed on the moon the previous month), and second, the eradication of poverty with the Family Assistance Plan. This law, if approved, would have assured an income equivalent to 50 percent of the difference between US\$3,900 (today corresponding to almost US\$18,000) and every family’s actual yearly income. The bill of law was approved by the House of Representatives by 243 votes to 155 against, but it was defeated in the Senate Finance Committee in 1970 by a vote of ten to six.

³³ GALBRAITH, J.K., speech published in *The Guardian*, June 29, 1999.

³⁴ ALTMAYER, Arthur J., *The Formative Years of Social Security* (Madison, The University of Wisconsin Press, 1966), p.260; LENKOWSKY, Leslie, *Politics, Economics and Welfare Reform: The Failure of the Negative Tax in Britain and the United States* (American Institute for Public Policy Research, Lanham, N.Y., University Press of America, 1986).

In several interviews and speeches at that time, Martin Luther King Jr. defended emphatically the guarantee of an income:

“I am now convinced that the simplest approach will prove to be the most effective – the solution to poverty is to abolish it directly by a now widely discussed measure: the guaranteed income.”³⁵

Moynihan, in his book *The Politics of Guaranteed Income* (1973), analyzed how conservatives used the high contradictions and exaggerated desires of progressive supporters to defeat the guarantee of minimum income. Some of them proposed a yearly basic income of US\$5,500, an amount which would have broken the budget at the time. Others did not want a substitute for programs already in effect like AFDC, or the Food Stamps program. Senators, especially from food-producing states, defended the program without realizing that the guaranteed income would be destined mainly for the acquisition of first-need goods, especially food. Additionally, there were those who did not want to accept the concession of an income payment to those who were not working.³⁶

When running for re-election in 1972, Nixon ran against George McGovern, who was assisted in his campaign by Tobin and Robert Solow, two Nobel Prize winners in Economics who had presented a more far-reaching proposal for a social dividend or a “demogrant” of US\$1,000 per year to every U.S. citizen. McGovern was not elected and did not succeed in making people understand the advantages of a non-conditional basic income. Two years later, US Senator Russell Long (D-LA) proposed a law that would also partially institute a negative income tax, the Earned Income Tax Credit. Confronting the concern expressed during the Senate debates about the provision of a guaranteed income to those who were not working, Long proposed a complementary income only to families of people who were employed. The families that did not reach a certain income level with employment would receive an increase in income to compensate for the amount discounted as payment for the social security, and to help with costs of raising children, thus contributing to individuals leaving conditions of poverty. The EITC was passed into law in March 1975.

The EITC was expanded with bipartisan support in the following years by the initiatives of Presidents Ronald Reagan, George H. W. Bush, Bill Clinton, George Bush and Barack Obama. In his autobiography *My Life*, Clinton made 17 references to the importance of EITC in his government.³⁷ He stressed his resolution, based on the motto “people in first place”, to extend the EITC to families without children, and also to double the amount of aid to families with children. This expansion, taken together with other measures, contributed to the increase in

³⁵ KING Jr., Martin Luther. *Where do we go from here: chaos or community?* (New York, Harper Row, 1997).

³⁶ MOYNIHAN, Daniel Patrick. *The politics of a guaranteed income – The Nixon administration and the family assistance plan* (New York: Random House, 1973).

³⁷ CLINTON, William, *My Life* (New York: Knopf, 2004).

economic activity and lower unemployment during Clinton's eight years of government.³⁸

In 2011, the US government paid about US\$ 61.9 billion to 27.2 million working families and individuals in the country. It represented a substantial income transfer that the United States paid to those who work, but don't obtain a certain income level, allowing them to earn more and to gain a higher degree of satisfaction and productivity than in the absence of this instrument. This situation helps contribute to US companies' higher degree of competitiveness in relation to companies from other countries that have not adopted similar mechanisms (or a more rational option like the Citizen's Basic Income). A worker who earns approximately US\$20,000 per year, with a wife and two children has the right to receive a fiscal credit from EITC of US\$5,229, boosting his annual income by 27 percent. Several countries whose economies compete directly against the US have started to adopt similar mechanisms, such as the United Kingdom, which introduced the Family Tax Credit in 2000. Today a British worker with a family and a monthly wage of £800 has the right to receive a fiscal credit of £400.

What is the effect of the existence of EITC on the US economy, or the Family Tax Credit's effect on the economy of the United Kingdom, in relation to the Brazilian, the Finnish, or the Spain economies? The policies implemented by the US and UK governments have made their economies more competitive in relation to other countries if they prove unable to pursue similar –or better– policies. The EITC and Family Tax Credit pay an income that complements that of their workers, increasing their satisfaction with their lives and raising national productivity levels. Common sense indicates that from the point of view of competitiveness alone, Brazil should create at least a negative income tax system or an even more rational and complete system for a Citizen's Basic Income.

Studies elaborated by Robert Greenstein and Isaac Shapiro from the Center on Budget and Policy Priorities revealed that the EITC had resulted in a substantial increase in the number of parents and single mothers in the labor market, contributing to a moderate increase in income disparities between rich and poor workers.

V. The creation of the Basic Income Earth Network (BIEN)³⁹

³⁸ In 2003, families with no children, one child, and two or more children whose yearly income was below US\$12,230, US\$30,666 and US\$34,692, respectively, had the right to a fiscal credit. In the case of a family with two or more children the benefit was 40 percent of the earnings up to the limit of US\$10,510, for a maximum fiscal credit of US\$4,204. If the family income was between US\$10,510 and US\$14,730, the maximum credit was also US\$4,204. Starting from US\$14,730, the maximum credit was diminished by 21.06 percent for each additional dollar beyond that limit. In this way, the EITC became zero for a couple with a yearly income of US\$34,692. In looking at unemployment rates during the 1990's, the national level in 1992-93 was around 7.5 percent of the working force, declining to just 3.9 percent in the year 2000.

³⁹ Due to the significant participation from around the world in BIEN, it was unanimously transformed into *Basic Income Earth Network*, during the 10th International Congress that took place in Barcelona in 2004.

When people realize that the proposal for a universal basic income given unconditionally to all citizens is fair, equitable and ethically acceptable, this acceptance will help produce the conditions needed for an effective expansion of income transfer programs to new countries. Contributing to this perception has been the main purpose of the founders of the Basic Income European Network, a forum created in 1986 to debate all the experiences of income transfer and minimum income programs and to defend the establishment of unconditional basic income in every country.⁴⁰ One of BIEN's founders, Philippe Van Parijs, considers it important to distinguish between three different models of the welfare state: the Bismarck, Beveridge and Paine models.

- In the Bismarck model, the workers compulsorily give up a portion of their present earnings to create a fund that will be used when necessary to cover health expenses and to provide an income when they are unable to work, whether because of retirement, an accident or disease, or they are unemployed and unable to find a job;
- In the Beveridge model all the holders of primary income, from capital or labor, compulsorily contribute a part of their earnings to create a fund. This fund allows all members of society to receive a minimum level of benefits, including health insurance, because they are not capable to meet this minimum through their own means –for reasons of, age, incapacity, accident or disease– or by the impossibility of finding a job with sufficient remuneration;
- In the Paine model all the holders of the income give up, compulsorily, a portion of their income to create a fund that can be used to pay an unconditionally equal income to all members of society.

These European models are derived from the historical contributions of Thomas Paine in *Agrarian Justice*; Otto Von Bismarck, President of the Prussian Council of Ministers, who succeeded in reconciling the German states after the French-Prussian War of 1862 and in establishing a social security system; and William Henry Beveridge, who after participating in 1905 as the investigator of the Real Committee on the 'Poor Laws' was one of the main developers of the *Report on the Minority of the Social Security and Allied Services*. He was then nominated as the President of the Inter-sector Committee of the Social Security and Allied Services.

Since the 1930's several countries have introduced programs to guarantee a conditional minimum income, whether in the form of benefits to children; to support families with dependent children, the elderly, the disabled or low income earners; or for unemployment insurance and for minimum income of insertion or of complex systems of social securities. In his analysis, *Europe before the Poverty: the National Experiences of Minimum Income*, Serge Paugam traces the establishment

⁴⁰ In 2004, the BIEN was renamed the Basic Income Earth Network, after having been known as the Basic Income European Network since its inception.

of guaranteed minimum income systems in Europe, which were generally conditional, beginning with Denmark in 1933 and crossing the continent over the next 60 years.⁴¹ Beginning in the 21st Century, the European Union and the Organization for Economic Cooperation and Development joined together with their member countries to defend the introduction of minimum income programs, though these international organizations acknowledged that it is a sovereign matter for each country. Nevertheless, in 1988, in a resolution that dealt with the eradication of poverty in the European community, the European Parliament declared its support for introducing minimum income assistance programs. In *Real Freedom for All: What (if anything) can justify capitalism?* Van Parijs begins with the principals of justice developed by philosopher John Rawls, in *A Theory of Justice*:

- 1) The Principle of Equal Liberty: Each person is to have an equal right to the most extensive total system of equal basic liberties compatible with a similar system of liberty for all;
- 2) The Principle of Equal Opportunity: The inequalities of social and economic advantages are justified only if (a) they contribute to the improvement of the least advantaged of the society (the principle of difference), and if (b) they are linked to positions that everybody has equal opportunities to occupy.

To put these principles in practice and promote greater equality, Rawls proposes maximizing a set of basic freedoms, such as freedom of association, freedom of movement, freedom of job choice and freedom based on a social component of self-respect. In *A Theory of Justice*, he writes that the negative income tax, providing a minimum income, is one of the proper instruments for enabling individuals to achieve these goals of freedom. Van Parijs argued that in order to assure the greatest amount of freedom possible, it is essential that the form of guaranteed minimum income avoids two obstacles. First, as the basic income level increases, it is necessary to avoid capturing a growing number of people in the “unemployment trap.” This situation is seen when amount of remuneration that these individuals would receive while employed becomes less than the income that they would receive if they do not work. Second, the right to a guaranteed minimum income can not be subordinate to work rendered, because it would put the beneficiary in a unfavorable situation in relation to his/her employer (public or private) than if the right to the minimum income was unconditional. In other words, consideration of the power dimension requires that the guarantee of individuals’ total freedom to consume should not be conceded at a detriment to their real freedom to work (without the unemployment trap), nor at a detriment to the freedom to not work (without restrictions individuals that are currently seeking

⁴¹ PAUGAM, Serge, *L’Europe face à la pauvreté. Les expériences nationales de revenu minimum* (Paris, Ministère de l’emploi et de la Solidarité, 1999); PAUGAN, Serge and GALLIE, Duncan, eds., *Welfare Regimes and the Experiences of Unemployment in Europe* (London, Oxford, 1999); GUIBENTIF, Pierre and BOUGET, Denis, *As políticas de rendimento mínimo na União Européia* (Lisboa, Editora União das Mutualidades Portuguesas, 1997).

employment).⁴² Therefore, it is not surprising that Rawls would suggest that the minimum income take the form of a negative income tax, which has exactly the advantage of eliminating the unemployment trap without restraining the ones who were seeking for a job.

When considering the social basis of self-respect, Van Parijs emphasizes the fact that the guaranteed minimum income is ensured of maximizing real freedom in its dimensions of income and power without threatening one's self-respect. For this reason it is essential that income is distributed in a form that does not stigmatize or humiliate the beneficiaries. Moreover, this distribution should be done particularly without controlling resources (contrary to what happens, by definition, in the negative income tax) and without controls on private life (required to verify, for example, if the person is living alone or co-habits with somebody). A co-founder of BIEN, Guy Standing recommends in *Seeking for a Distributive Justice in a Flexible Working World* (1999) that policies only be considered fair if, and only if, they minimize the difference between the degree for those who have less, and the rest of society; including every individual's right to self-expression.⁴³ It is therefore necessary to find a balance between security and freedom by instituting a system that ensures simplicity, transparency, equity and efficiency. He argued that it would be essential to institute a non-conditional basic income in order to achieve this goal.

VI. The pioneer experience of a Basic Income program in Alaska, USA

There is one place in the world where all inhabitants are guaranteed an equal dividend once they have lived in the community for least one year. The institution of this program has been an innovative and commendable experience which has achieved positive results for three decades.

During the 1960's, Mayor Jay Hammond of Bristol Bay, Alaska, a small fishermen's village, observed that a huge amount of wealth was produced in the form of fish, but that many of the village's inhabitants were still poor. He therefore proposed the creation of a 3 percent tax on the value of fish, to create a fund that would support all of the village's inhabitants. Initially, his idea faced great resistance. In order to make the idea more acceptable, he proposed a reduction in property taxes. The experience succeeded such that ten years later, Jay Hammond began to serve the first of his two terms as governor of Alaska in 1974. Following the lead of the previous governor, Keith Miller, Hammond agreed with the state legislature on a plan to store the revenue from natural resource exploitation –especially oil revenues– in a state savings account and spend only the interest that accrued on

⁴² VAN PARIJS, Philippe, *Real freedom for all: what (if anything) can justify capitalism?* (Oxford, Oxford University Press, 1995); RAWLS, John (1971), *Uma teoria da justiça* (São Paulo, Martins Fontes, 1997). See also VANDERBORGHT, Yannick T., VAN PARIJS, Philippe, *L'Allocation Universelle*, Paris: Editions La Découverte, 2005, also available in Spanish, German, Portuguese and English.

⁴³ STANDING, Guy, *Global labour flexibility: seeking distributive justice* (New York, Ed. St. Martin Press, 1999).

the principal.⁴⁴ Considering that oil is a non-renewable resource, this was an innovative plan to serve not only the current generation, but future generations as well.

In 1976, Hammond proposed an amendment to the state constitution that would separate 25 percent of all royalties from resource exploitation in order to create a fund that would belong to all Alaskan residents.⁴⁵ Later, the proposal was submitted to a popular referendum and was approved by a two-to-one margin. From 1976 to 1980 there was an intense debate over the destination of the fund's revenues: while some citizens proposed the creation of a development bank, others warned that this would only provide subsidized resources to those individuals presently holding land titles, which would produce an undesired increase in income concentration. Initially, Hammond considered paying out proportional dividends based on how long each citizen had resided in the state, until local attorneys questioned the constitutionality of this procedure, which would break with the criteria of equality. This decision led the governor to send another amendment to the legislature in 1980 proposing that 50 percent of the royalties be destined to the Alaska Permanent Fund that would then be paid out in dividends annually and equally to all residents.⁴⁶ The collected revenues were invested in a transparent, prudent and a responsible fashion and comprised a diverse array of portfolio holdings in US and international companies (including Brazilian companies), and the fund's bonds and stocks were spread across local enterprises. In 2014, the portfolio of the Alaska Permanent Fund had stocks from 89 Brazilian companies and its equity had increased from US\$1 billion in the early eighties to more than US\$ 49.5 billion today. In 2008, when the price of oil reached a peak, each one of the 700.000 residents of Alaska – for a year or more – received a dividend of US\$ 3,269.00. It has diminished since then, but it continues with the full approval of the population.

In July 1995, this author visited Alaska for one week to become more familiar with their system for a citizen's basic income. Informal discussions with residents indicated that the support for the program today is greater than the proportion of two-to-one that originally approved the proposal when initially presented by Governor Hammond. Nearly ten years later, in February 2004, this author sat on a

⁴⁴ HAMMOND, Jay. H., *Tales of Alaska's Bush Rat Governor: the extraordinary autobiography of Jay Hammond, wilderness guide and reluctant politician* (Seattle: Epicenter Press, 1994).

⁴⁵ In 1980, a law was approved that increased to 50% of the royalties from the exploration of natural resources for the Alaska Permanent Fund. However, in 2003 a new law passed returning that proportion to 25%.

⁴⁶ Each person living for one year or more in Alaska between the period of January 1st to March 31st, must fill in a one page form that includes their name, home and business addresses, if he/she was out of the state and what was the reason for travel. The person responsible for children and adolescents up to 18 years old must fill out a form for them and the dividends destined to them will be received by the legal guardian. According information gathered by this author, normally parents make a deposit of the money in a savings account so that their children may use it later. Two people, also residents in Alaska, witness the veracity of the declaration. Everyone who returns this form to the government electronically receives a dividend between US\$300 and \$1,963.86 (as of year 2000), and US\$3,269 in 2008, in the last week of September or up until the tosecond week of October. Immediately following the events of September 11th, 2001, the drop in the New York Stock Exchange reduced the annual dividend per capita to about US\$1000.

panel with Hammond at the Congress of the US Basic Income Guaranteed Network, USBIG, in Washington D.C. While he was not familiar with Thomas Paine's 1795 proposal for a basic income in *Agrarian Justice*, he stated his happiness in learning about the existence of a similar initiative. From the Alaskan legislature, figures indicate that support for the Alaska Permanent Fund and its dividend system is unanimous, and there does not appear to be any significant problem with incentives to work due to receipt of the basic annual income.

At the 9th International Congress of BIEN in Geneva 2002, Professor Scott Goldsmith of the University of Alaska-Anchorage presented a paper demonstrating that it would be political suicide today for any leader in Alaska to oppose the dividend system provided by the Alaska Permanent Fund. In support of his arguments, he presented statistical data showing that the six percent annual distribution of Alaska's GDP to its residents has made Alaska the most egalitarian state in the United States.⁴⁷ From 1989 to 1999, the average family income of the richest quintile of families in the United States increased 26 percent, while the average income of the poorest 20 percent of families increased just 12 percent. This registers a significant increase for both groups, although it maintains an unequal concentration of wealth. In contrast, during the same period in Alaska, thanks to the distribution of approximately 6% of the GDP every year in equal amounts to all residents, the average income of the richest 20 percent of families increased 7 percent, while the income of the poorest quintile of families increased 28 percent and registered a significant evolution in a direction towards greater equality. In 1980, Alaska was the most unequal of the 50 American States. Today is the most equal. In 2012, Gini coefficient of the USA was 0.47. The most unequal unit of the Federation was the District of Columbia, with 0.533. Alaska had the lowest Gini coefficient, only 0.40.

In a deep study of the Alaska Permanent Dividend System, Karl Widerquist and Michael W. Howard show how it can be a formidable example for all countries on Earth. See their book: *Alaska's Permanent Fund Dividend*. New York: Paulgrave, Macmillan, 2012.

VII. A good proposal for the democratization and the pacification of Iraq

In the dialogue that I had in 2004 with the former Governor of Alaska Jay Hammond, I pondered that it would be very good for Iraq, considering that main natural resource is oil, to follow the experience of Alaska. He told me that he was making every effort to suggest this to his colleague from the Republican Party, President George Walker Bush. Jay Hammond died at 84 years old in August 2004, revered by the inhabitants of Alaska for having been one of the people responsible for one of the most successful initiatives of shared social development that has ever existed history.

⁴⁷ GOLDSMITH, Scott, *The Alaska Permanent Fund Dividend: An Experiment in Wealth Distribution*, 9th International Congress, BIEN, Geneva, September 12-14, 2002.

When Sérgio Vieira de Mello was nominated co-coordinator of the UN activities in Iraq, in May 2003, I sent him a letter suggesting that the people from Iraq could follow the example of Alaska, so that everyone could participate in the wealth of the nation. He answered immediately saying that he would convey the suggestion to the people who were in charge of administering the country. On August 1, 2003 he called me from Baghdad informing me that the proposition was very well accepted and had been transmitted by Ambassador Paul Bremer III, the then Chief Administrator of Iraq, during a speech on June 23, 2003 at the World Reconciliation Summit in Amman, Jordan. Sergio told me that the mission from the World Bank had considered the proposal feasible. Many other enthusiasts of the 'Basic Income' concept like Steve Schafarman, Steve Clemons and Guy Standing made similar suggestions during that period in articles published by the New York Times, Financial Times, and other periodicals.⁴⁸ Unfortunately Sérgio Vieira de Mello was murdered on August 19, 2003, in a criminal attack against the UN office in Baghdad.

On November 6th, 2005, US President George Bush visited Brasilia after a meeting of Chiefs of State that had been held in Argentina. After his meeting with President Lula at Granja do Torto President Bush delivered a speech to about 300 guests at Blue Tree Park, a hotel in Brasilia. He talked about how the growth of the commerce among countries of the Americas could contribute to increasing employment opportunities; the theme of the FTAA – Free Trade Area of the Americas. After he concluded his 22 minute speech, I complimented him and we had the following dialog:

Suplicy: "I am Senator Eduardo Suplicy from the Worker's Party. With respect to the integration of the Americas we should not only have as a purpose the free movement of capital, goods and services without barriers, but also and most importantly of human beings from Alaska to the Patagonia. More than that we should also have what you already have in Alaska with much success, a Citizen's Basic Income to all residents in that state".

Bush: "Well, in Alaska they have lots of oil".

Suplicy: "But yes we could have a basic income from all the forms of wealth that are created. I would like to suggest that in order to create the conditions for real peace based on justice in Iraq that we should encourage the Iraqis to follow the example of Alaska, which pays every year a basic income to all residents living in that state in the form of dividends that result from the Alaska Permanent Fund".

Bush: "We are working on that! We are working on that! Thank you"

This suggestion was in fact included in "The Iraqi Study Group Report", coordinated by the Co-Chairs James A. Baker and Lee H. Hamilton, who is

⁴⁸ SCHAFARMAN, Steven. "An Affordable Proposal for Stability in Irak: A Job for every Iraqi." The Profress Report, May 28, 2003; CLEMONS, Steven. "Sharing, Alaska-Style". The New York Times. April 9, 2003; STANDING, Guy, The Financial Times, April, 2003; SUPLICY, Eduardo Matarazzo, "Democracia e Paz no Iraque", June 12, 2003, Folha de S. Paulo.

President of the Woodrow Wilson International Center for Scholars, published in December 2006. On p. 24, on *The Politics of Oil*, the report states:

“There are proposals to redistribute a portion of oil revenues directly to the population on a per capita basis. These proposals have the potential to give to all Iraqi citizens a stake in the nation’s chief natural resource, but it would take time to develop a fair distribution system... it would have to be based on a well-developed state census and income tax system, which Iraq currently lacks.”

On p. 65, Recommendation 28 states:

“Oil Revenue should accrue to the central government and be shared on the basis of population. No formula that gives control over revenues from future fields to the regions or gives control of oil fields to the regions is compatible with national reconciliation”.

In 2008, I was invited by the President of the National Assembly, Mahmoud al-Mashadani, and by the ex-Prime Minister and leader of the main Coalition of the Council of Representatives of Iraq, Ibrahim Al-Jaafar, to present this proposal to the authorities of Iraq. After two days of visit to the main authorities in Baghdad, I was told that the Government would seriously consider the idea of providing to all 30 million Iraqis a stake in the wealth of the Nation. They are still considering how to make it real in the New Iraqi Oil Law.

VIII. The maturation of the Citizen’s Basic Income proposal

There are signs that the idea of a non-conditional Basic Income is becoming more and more accepted across the world. Nobel Prize winning economist Robert Solow of MIT wrote a preface for Philippe Van Parijs’ book, *What’s Wrong with a Free Lunch?*, wherein he defended the concept of a basic income. Van Parijs debated with several economists on the subject of a Basic Income, beginning to develop how such a policy could contribute to the promotion of justice, increase freedom, improve women’s rights, and help in the preservation of the environment. Meanwhile, Solow observed that the arguments in favor of granting this basic right are different from the prevailing mainstream attitudes today regarding employment and remuneration, and though it represents a substantial cost, he feels it should be seriously analyzed inclusive of its advantages as well as its disadvantages.

On February 1, 2000 in Almancil, Portugal, Van Parijs was invited to make a presentation to the directors of social programs and specialists of the European Union on “Basic Income: Guaranteed Minimum Income for the 21st Century” by then-Portuguese Prime Minister and President of the European Council António Guterres. By contacting Van Parijs, the Socialist politician showed signs that he was increasingly serious about considering the Basic Income proposal. During this presentation, Van Parijs underscored the natural tendency toward resistance to the proposal, but added that when listeners are exposed to all of its principles and especially its advantages, their resistance can be surpassed.⁴⁹ When Guterres

⁴⁹

visited Brazil in 2003, he commented that he considered the implementation of a non-conditional basic income program to be an issue of common sense and advocated further pursuit of the policy.

An important step was taken on November 8, 2013, when the Federal Chancellery of Switzerland announced that the initiative for a Citizen Unconditional Basic Income was formally accepted. He said that after the validation of the 126,408 signatures submitted on October 04, there will be a national referendum in two or three years on the question: Should every person in the country unconditionally receive the financial basis for life?

More than 285,000 signatures were collected during 2013 by members of the 28 European Union member countries to the EU Parliament to promote a public hearing on the initiative of an Unconditional Basic Income.

With the collaboration of UNICEF SEWA, the Self Employed Women's Association and other NGOs, and with the support of the Indian government, an extraordinary positive experience was developed in 20 Indian rural villages of Madhya Pradesh in the last two years. Professor Guy Standing oversaw this pilot project, in which 6,000 people in eight rural villages received a modest Basic income, and 6,000 people from 12 other similar rural villages did not receive the basic income of 350 rupees per month, half the amount for children under 14 years of age. The Bien summer and fall NewsFlash reports the positive results of these projects, as well as those conducted in Uganda and other nations

Another propitious sign of the idea's growing strength can be observed in the Brazilian National Congress's approval of the law establishing a Basic Income. Van Parijs has stressed that the implementation of universal basic income is a comprehensive reform that belongs in the same category as the abolishment of slavery or the introduction of universal suffrage, events that have considerably marked political participation across the world in the 19th and the 20th centuries, respectively. In turn, the establishment of a non-conditional basic income system could be the idea that leaves a significant mark on the 21st century.

In an increasing number of countries, organizations inspired by BIEN have been founded during the past two decades. (See <http://www.basicincome.org> for more information.) Similar to the pioneer organization, all of them promote the discussion of a basic income and defend the principle of a need to establish the basic income in all countries. Today, BIEN recognizes the following national networks: ARGENTINA (*Red Argentina de Ingreso Ciudadano*), Austria (*Netzwerk Grundeinkommen und zozialer Zusammenhalt*), Australia (Basic Income Guarantee Australia –BIGA), Belgic (Belgian Network for Basic Income), Canada (Basic Income Canada Network- Réseau Canadien pour le Revenue Garanti), Finland (Suomen Perustuloverkosto), Italy (Basic Income Network Italy –BIN-Italia), Japan (Basic Income Japanese Network) Mexico (Red Mexicana Ingreso

⁴⁹ VAN PARIJS, Philippe, “Renda Básica: renda mínima garantida para o século XXI?” (in *Revista Estudos Avançados*, São Paulo. Instituto de Estudos Avançados/USP, N° 40, September/December 2000).

Ciudadano Universal), Namibia, (Namibian Coalition for a Basic Income), Denmark (*Borgerensbevægelsen*), Germany (*Netzwerk Grundeinkommen*), Ireland (*BIEN Ireland*), the Netherlands (*Vereniging Basinkomen*), Spain (*Red Renta Básica*), South Africa (*South African Coalition for a Basic Income Grant*), Switzerland (*BIEN Switzerland*), the United Kingdom (*Citizen's Income Trust*) and the United States (*US Basic Income Guarantee Network*). Slovenia (Seksija za promocijo UTD v Sloveniji) South Korea, The Basic Income Korean Network. In Brazil, the *Rede Brasileira da Renda Básica de Cidadania* (Brazilian Citizen's Basic Income Network, RBRBC) was founded in 2004 by 13 Brazilians who attended the Tenth International Congress of BIEN in Barcelona and held its first formal presentation meeting in November 2005.

All of these institutions defend the implementation of an unconditional basic income that has the purpose of stimulating the development of economic equality, promoting the stability of the family and the community, and allowing all people to meet their vital needs and ensuring them a greater dignity. It proposes a universal coverage, from birth until death, without the need of any verification of income. The social security network should also be extended, so that nobody receives less than before the implementation of the program. They propose that the payment should be made by a public institution to facilitate the payment to everyone, even in locales where there is no banking network. A substantial part of the costs of the program should be covered progressively by the tax system, demonstrating that there is solidarity and a joint effort to eliminate poverty by all member of a nation or community.

In December 2003, this author participated in a symposium for the implementation of Basic Income in Gauteng, South Africa. At this event, one could observe a strong commitment displayed by the President of Congress of South African Trade Unions (part of the South African Coalition for a Basic Income Grant) and of the leaders of other entities representing this cause. This commitment can be an important example for Brazil to follow because it is a country with great economic potential yet still marked by great inequality, and with a significant part of its population living in absolute poverty. When the news of the Brazilian congressional decision to approve the law implementing the Citizen's Basic Income reached the symposium, it was well-accepted, as the South African proposal had already been analyzed in previous meetings of the country's Council of Ministers. On October 17, 2005, 400 people assembled outside the legislative assembly of Gauteng where they formed a human chain to mark the International Day for the Eradication of Poverty and to promote the approval of basic income for all citizens. In November 2-4, in Cape Town, South Africa, it was held the XI International Congress of BIEN with the participation of enthusiasts of the basic income in the five continents. In the opening message to this Congress, Peace Nobel Prize Bishop Desmond Tutu made a brilliant appeal for people all over the world, in each nation, to make all efforts to introduce a basic income to all (you may see this 7 minutes message in the youtube: Desmond Tutu – BIEN- 2006, in the following link: <http://www.youtube.com/watch?v=gf3n-L5FDy0>)

As a result, the President of the Namibian Coalition for a Basic Income, Bishop Zephania Kameeta decided to gather voluntary funds from citizens in his country as well as elsewhere, including from German Churches. He was able to form a fund that for three years, from 2008 to 2011 provided a modest basic income to around 1000 inhabitants of the rural village of Otjivero, 100 kms from the capital Windhoek. In February 5-11, 2011, I had the opportunity to visit this very positive experience where all inhabitants were receiving 100 Namibian dollars, or around 12 US dollars a month. Bishop Kameeta said that through the events they started to better understand the miracle of the multiplication of bread and fish by Jesus. Because after so many hours of preaching, his disciples in Galilea told him that the people were tired and hungry. Give them food, said Jesus. But we have only two fish and five loafs of bread. Then Jesus blessed the fish and the bread and asked the disciples to give to all and all became satiated. In Otjivero, when the modest basic income was distributed, there was a new sense of solidarity and everyone that something decided to give to all. Since a demand for goods and services started to happen, some decided to produce vegetables and fruits, other to produce bread, others bricks, other textiles and so on. Economic activity increased. The presence of children in school increased and and social indexes improved.

During this Cape Town BIEN Congress, an award was given to the best work presented. This was a proposal of a Basic Income or a Negative Income Tax for the North American countries members of NAFTA, Canada, USA and Mexico, presented by Professor Michael Howard⁵⁰. If we really want to have economic integration in the American Continents we must be thinking of freedom of movements not only of goods and services and capital, but mainly of what is most important, human beings. For that purpose it will be more and more relevant to think of ways of providing homogeneous social rights in all countries. Howard's proposal is a strong step in that direction.

Growing academic acceptance of the idea can be observed in the invitation extended by Harvard University to Van Parijs to occupy a position in the Philosophy Department. When Van Parijs began lecturing in philosophy at the university, his colleague, Professor Amartya Sen, decided to invite him to co-lecture a course at Harvard on Social Justice and Cultural Diversity, wherein the pair examined different concepts of social justice depending on individuals' cultural roots and values. As a part of the class, Van Parijs and Sen also looked at the defense of a universal, unconditional Citizen's Basic Income as articulated by the former and whether or not it would help attain social justice.

IX. The precursors in Brazil

As one examines the historical evolution of Brazilian subalterns and marginalized groups –including indigenous peoples, Afro-descendants, mestiços, landless workers, the disabled and the poor– one finds that a defense of citizen rights on

⁵⁰ HOWARD, Michael W., "A NAFTA Dividend: A Proposal for a Guaranteed Minimum Income for North America." Paper presented to the XI International Congress of BIEN, in Cape Town, November 2006. See www.basicincome.org

the basis of guaranteed income proposals has been at the heart of numerous social movements. From the fight against slavery in the 19th century to the present, one will always find a sense of struggle that is related to income. The common concepts of land ownership, values of solidarity and reciprocity practiced by Brazilian indigenous communities constitute the basis for accepting the proposition for a basic income. In abolitionist history, one finds many voices (Zumbi dos Palmares, José do Patrocínio, Castro Alves, Joaquim Nabuco and André Rebouças) who expressed longing for a society attainable through the achievements of a Basic Income program. The work of sociologists, economists, geographers and historians in the 20th century has shown a demand for Brazil to adopt public policies that provide conditions for a deeper and more balanced development of society. In *Um Projeto para o Brasil*, 1968, Celso Furtado exposed a situation of extreme inequality, as the country's population stood at 90 million inhabitants (less than half its present total) and its per capita income was US\$350 per year. In this situation, the income distribution of the richest one percent represented the income of the poorest 50 percent, and this figure had not yet changed at the outset of the 21st century.⁵¹ In 2001, the distribution of per capita domicile income of 172.4 million of Brazilians with a per capita income US\$7,037 per year was 13.8 percent for the richest one percent of the population, while the poorest 50 percent only obtained 12.7 percent of national income.

X. From Minimum Income to Citizen's Basic Income

After the speech of Congressman Josué de Castro in the House of Representatives on March 24, 1956 on income disparities, where he said: "I advocate the need to give everyone a minimum, in accordance with the right of all Brazilians having the minimum for survival.", the first concrete proposal in the academic Brazilian sphere for the guaranteed minimum income in Brazil came from Professor Antonio Maria da Silveira in "Moeda e Redistribuição da Renda," published in 1975 in the *Revista Brasileira de Economia*.⁵² He suggested that the introduction of a new currency in the economy should be made through the hands of those who possessed the least. Criticizing the inefficiency of the instruments used to combat poverty, he proposed that the problem should be tackled directly through the use of a negative income tax. In 1978 Edmar Lisboa Bacha and Roberto Mangabeira Unger proposed in "Participação, Salário e Voto" that agrarian reform and a minimum income achieved through negative income tax should be instituted as fundamental instruments for the democratization of Brazilian society.⁵³

In the second half of the 1970's, the author of this paper began to interact frequently with the steel workers from the ABC region of São Paulo, as well as with

⁵¹ FURTADO, Celso, *Um projeto para o Brasil* (Rio de Janeiro, Editora Saga, 1968).

⁵² SILVEIRA, Antônio Maria, "Moeda e redistribuição da renda" (in *Revista Brasileira de Economia*, April/June 1975. Reproduced in SILVEIRA, *Moeda e redistribuição de renda* (Rio de Janeiro. Edições Multiplic., 1981).

⁵³ BACHA, Edmar Lisboa and UNGER, Roberto Mangabeira, *Participação, salário e voto. Um Projeto de Democracia para o Brasil* (Rio de Janeiro, Paz e Terra, 1978).

several groups included in current President Luiz Inácio Lula da Silva's *Sindicato dos Metalúrgicos de São Bernardo e Diadema*, an industrial union in greater São Paulo. At that time, this author was a newspaper journalist writing on economic matters for the *Folha de São Paulo*, and these acquaintanceships, including the affinity developed with many social movements, contributed to an election as State Deputy in São Paulo in 1978 as a member of the *Movimento Democrático Brasileiro* (Brazilian Democratic Movement, MDB), and later led the author of this paper to join the *Partido dos Trabalhadores* (Workers' Party, PT) as a founding member in 1980. In the meetings between PT economists and the national leadership in the 1980s, the author advocated the party's defense of a guaranteed minimum income, a discourse that continued upon election as a Federal Deputy in 1986 and as a Senator in 1990. The author prepared a bill of law with the collaboration of da Silveira, economist João Sabóia and sociologist Ana Lúcia Sabóia, to institute the Minimum Income Guarantee Program through a negative income tax. Following the debates in the PT surrounding the concept of a minimum income, the idea had already readied itself for debate in Congress. On April 17, 1991, the author presented Senate Bill of Law nr. 80, proposing that everyone aged 25 years or more with a monthly income less than Cr\$45,000 – corresponding to 2.5 times the minimum wage at the time– would have the right to receive a cash transfer equal to 50 percent of the difference between the determined level and the individual's income.

At the Committee on Economic Affairs, Senator Mauricio Corrêa, at that time leader of the *Partido Democrático Trabalhista* (Democratic Workers' Party, PDT), was chosen to be the rapporteur. He was receptive towards the proposition, but questioned whether or not certain adjustments were necessary to make the proposal more feasible. He suggested that the transfer should not exceed 30 percent, and that the executive power could raise it to 50 percent according to the availability of resources and according to the success of the program. Furthermore, he proposed that the program should be introduced gradually over eight years, beginning in the first year with people aged 60 years or more, in the second year people over 55 years and so on until in the eighth year all people over 25 years old would receive the benefit. In October 1991 the Committee approved the project unanimously. Two months later, it was approved by the Senate with a favorable evaluation from all parties; no senator voted against it and there were only four abstentions. The leader of the *Partido Social Democrático Brasileiro* (Brazilian Social Democracy Party, PSDB) at the time, and later President of the Republic, Fernando Henrique Cardoso qualified the proposal as "a realistic utopia." The bill of law went to the Chamber of Deputies where in the Budget and Finance Committee it received a favorable assessment from Deputy Germano Rigotto (PMDB-RS). Though public audiences were held, the proposal was not voted on at the committee level.

Throughout the 1990's the debate on the theme of a basic income intensified. At a meeting organized in 1991 in Belo Horizonte by Walter Barelli (at that time the coordinator of the PT parallel government's economic team), this author once

again presented a proposal for the guaranteed minimum income together with Antonio Maria da Silveira. In the subsequent debate, Senator Aloizio Mercadante of the PT raised several questions: “Will the guarantee of minimum income possibly lead to a higher level of exploitation of workers by their employers since they will tell the workers that they will be able to get part of their remuneration from the program?”

More importantly, one need ask the following question from the point of view of the worker: Will the existence of a minimum income improve the individual’s economic standing or worsen it? If a guaranteed income were sufficient to ensure the worker’s survival, the worker would have greater bartering power to decide whether or not he should accept the offered conditions of employment. Typically for workers in Brazil, who in the 21st century are in some cases still exposed to conditions on par with slavery, the existence of a guaranteed income would allow them to refuse any working condition that could mean humiliation, risk to their health, or disrespect to their status as a human being. If the minimum income is able to spur companies to hire more people, the result will be a greater pressure on the rise of salaries, while the combination of a basic income with a minimum wage can also contribute to raise the lowest levels of remuneration.

José Márcio Camargo, a professor from PUC-RJ, pondered whether it would be better if the guaranteed income was granted to the family instead of the individual, relating its provision to educational opportunities. One of Brazil’s biggest problems is the great number of children who abandon their studies early at their parents’ request, as these adults no longer have the money to maintain their children in school. If income were provided to needy families who kept their children in school, we would also contribute to a better future for these children and break the vicious circle of poverty.⁵⁴

As a candidate for the Governor of the Federal District of Brazil, Cristovam Buarque had been thinking the same way since 1986 in meetings held at the *Núcleo de Estudos do Brasil Contemporâneo* in the Universidade de Brasília (UnB). In 1994 he proposed instituting a minimum income for families in order for them to keep their children in schools. In his first week as governor in January 1995, in the satellite-city of Paranoá he announced the start of the *Bolsa Escola* program. All families who did not earn at least half of a minimum wage per capita monthly, with children from 7 to 14 years, residing in the Federal District for at least five years, would have the right to receive a minimum wage per month, as long as their children attended school 90 percent of the time. By the end of his government the program was assisting 25,680 families, corresponding to 50,673 children. In November 1994 Mayor José Roberto Magalhães Teixeira, Grama (PSDB), presented to the Municipal Chamber of Campinas the bill of law that

⁵⁴ Camargo published two articles in the newspaper the *Folha de S. Paulo*, “Poverty and Guarantee of Minimum Income” on December 26, 1991 and “The Miserables” on March 3, 1993, which developed this argument.

instituted the Familial Minimum Income Guaranteed Program (PGFRM), also for families with incomes less than half of a minimum wage monthly who had children in school up to 14 years of age. The income given non-conditionally to the families was sufficient to complete a half minimum wage per capita, and the law was approved in January and the PGFRM was implemented in February 1995. The program benefited 2,941 families.⁵⁵

Throughout the nineties and in 2001, the proposal for a minimum income has always been present in Lula's government program since his first candidacy for President whose goal has been to eradicate poverty and promote children's attendance in school. As Lula's profile grew nationally, the public support for initiatives of this kind increased. Positive news of the Federal District's experience and that of Campinas spread immediately. In October 1995 Mayor Antonio Palocci also established in Ribeirão Preto a program to guarantee minimum income associated to education. With slight differences in their designs similar programs were implemented in a number of municipalities, all with good results.⁵⁶

In 1996, Van Parijs, in an audience with President Fernando Henrique Cardoso and myself, in Brasília, after explaining the advantages of an unconditional basic income, expressed that he considered a minimum income program associated with education opportunities a very positive development given that it was a way to relate the minimum income project to human capital investment. On December 10th, 1997 the government approved and sanctioned Law 9.533 which authorized the federal government to grant financial support (correspondent to 50 percent of total expenditures) to municipalities that instituted a minimum income program associated with social and educational incentives. Initially, municipalities with a lower per capita income would benefit, and over five years these benefits would be gradually extended to all municipalities. The benefit per family, however, was very

⁵⁵ During the first vote the only councilman from the PT at that time, César Nunes, decided to vote against the project given that other councilmen, including the ones from the same position as the mayor, did not want to approve some of Nunes' amendments emphasizing the norms of the Statute of Infancy and Adolescence involving greater participation from the community. During the second vote, however, following the approval of his amendments and after the dialogue, he opted to vote favorably.

⁵⁶ Among the municipalities that saw implementation of a minimum income program were the following cities: Arujá, Barueri, Betim, Ferraz de Vasconcellos, Fortaleza, Franca, Londrina, Manaus, Mococa, Osasco, Ourinhos, Paracatu, Pindamonhangaba, Porto Alegre, Presidente Bernardes, Recife, Salezópolis, Santo André, São Bernardo do Campo, São Luiz, Suzano, Teresina, Vitória, São Paulo, Jundiá, São José dos Campos, Catanduva, São Joaquim da Barra, Araçatuba, Araraquara, Santo André, Franca, Guaratinguetá, Caçapava, Jaboticabal, Limeira, Piracicaba, Ourinhos, Presidente Prudente, Santos, São Carlos, Belém, Belo Horizonte, Betim, Extrema, Blumenau, Chapecó, Boa Vista, Caxias do Sul, Goiânia, Natal, Vitória, and Mundo Novo. A detailed exam of the municipal experiences can be found in: SILVA, Maria Ozanira da Silva; YAZBEK, Maria Carmelita; Di GIOVANNI, Geraldo, *Política social brasileira no século XXI: A prevalência dos programas de transferência de renda* (São Paulo: Editora Cortez, 2004); FONSECA, Ana M. M., *O debate sobre família e a política de renda mínima* (São Paulo, Cortez, 2001). Consequent to the implementation of these programs, new bills of law were proposed to the Chamber of Deputies and in the Federal Senate by deputies Néelson Marcheazan (PSDB-RS), Chico Vigilante (PT-DF) and Pedro Wilson (PT-GO); by senators Ney Suassuana (PMDB-PB), Renan Calheiros (PMDB-AL); and José Roberto Arruda (PSDB-DF)—all proposing the establishment of minimum income projects associated with education or the Scholarship Program.

modest. In March 2001, Law 10.219/2001 authorized the federal government to establish agreements with the governments of all Brazilian municipalities to adopt the minimum income program associated with education or scholarship programs. Through this law municipalities would be responsible for the administration of the program while the federal government would directly transfer the payment to the benefited families using an electronic card. Families with children between the ages of six and 15 years would have a right to the benefit when they regularly attended school and their family had a per capita income up to half a minimum wage or, R\$90 in 2001. The benefit was R\$15, R\$30 or R\$45 per month, varying whether the family had one, two or three children.

In that same year a Poverty Fund was created and approved by the National Congress under the initiative of Senator Antonio Carlos Magalhães (PFL-BA), and based on the studies and works developed by the Committee to Fight against Poverty. This fund was designated to finance the minimum income program, and was financed from part of the *Contribuição Provisória sobre Movimentações Financeiras* (Provisory Contribution on Financial Movements, CPMF). According to then-Minister of Education Paulo Renato de Souza, in 2001 his Ministry signed agreements with 5,200 of the 5,565 Brazilian municipalities with the objective of instituting that program and realizing the target of benefiting 4.2 million families. Several municipalities and State governments instituted similar programs that provided a more generous benefit to the families. This was the case of the municipality of São Paulo during the government of Mayor Marta Suplicy. Under her administration in 2001, with Marcio Pochmann as the Secretary of Labor, Development and Solidarity, and Ana Maria Medeiros da Fonseca as co-coordinator, the initiative was finally implemented, with an extended program and a larger remuneration per family.

During its advanced stage, the Guaranteed Minimum Income Program (PGRM) in São Paulo benefited families with children up to 14 years of age, who were obliged to attend school, and with a per capita family income equal to or less than half the minimum wage level at the time. Beginning in October 2001, the benefit was modified to conform to the following formula (with the ratio ultimately at the discretion of the Executive): one- to two-thirds of the difference between the family income and a per capita income equal to half the minimum wage for each family member. Supposing that the executive defines the aliquot part as 50 percent and that the minimum wage is R\$300, in a family with four people and a monthly family income of R\$300, the benefit should be 50 percent of the difference between R\$150 multiplied by four (equal to R\$600), less R\$300: total R\$300 per month.

Mayor Suplicy signed an agreement with the federal government and later with the state government to receive more resources than the municipal administration had the right to receive according to Federal law, but with the promise to invest these resources in the municipal minimum income program. In 2004, when the program reached about 190 thousand families in the municipality of São Paulo, a significant improvement was noted in economic activity indicators, tax collection and employment levels, as well as a reduction of criminality indexes. These

improvements were principally seen in the districts with greater numbers of beneficiaries.⁵⁷ In the State of São Paulo beginning in 2001, the government of Geraldo Alckmin established the Citizen Income Program, approved by the legislative assembly and encouraging municipalities to sign agreements with the state, who would then grant all families with a monthly income at or below the minimum wage level a complementary income. The benefit per family was initially R\$60 per month over 12 months, conditioned upon children's attendance in school, vaccination of children up to age five and family participation in social and educational activities. As an exception, it also allowed families to participate with a total income up to twice the minimum wage level and two or more children younger than age 16. Such diverse examples from the State and the Municipality of São Paulo should illustrate the number of different programs that can be found throughout Brazil, each with the same goal of instituting a minimum income.

At the end Fernando Henrique Cardoso's government in 2002 there were several existing income transfer programs that related to the ideals of the PGRM. Additionally there were continuous income payments made to retired rural workers, seriously disabled people and the elderly pertaining to families with an income less than a quarter of a minimum wage. There was also the *Programa de Erradicação do Trabalho Infantil* (PETI), administrated by the Ministry of Social Welfare and Assistance with grants amounts slightly higher than the PGRM which at that time was administrated by the Ministry of Education. Also functioning at the time was the *Bolsa Alimentação*, which benefited families with children older than six months and younger than seven years of age with benefits similar to PGRM of MEC but administrated by the Ministry of Health.

When President Lula was elected in October 2002 with 53 million votes in the second round, corresponding to 62 percent of the valid votes, one of his main proposals was the development of project called *Fome Zero* (Zero Hunger). This program involved instruments of agrarian reform such as incentives to family agriculture, the expansion of credit to small and medium producers, the construction of reservoirs for containing water in the semi-arid regions, the installation of popular restaurants, and the distribution of food baskets to populations in emergency situations. It also included an income transfer program provided through the distribution of a food card given to needy families in order to acquire food. On March 27, 2003, President Lula signed a provisory measure instituting the food card program. Its distribution, providing R\$50 per month to families with a per capita monthly income up to half the minimum wage, began in the most vulnerable areas of the Northeast's semi-arid regions: the municipalities of Guaribas and Acauã in Piauí were the first to be chosen. In the inland regions of Piauí the difficult economic situation is largely due to the prevalence of informal economic activity over involvement in the formal economy. In order to comply with

⁵⁷ POCHMANN, M. (Org.), *Políticas da Inclusão Social, First Edition* (São Paulo: Cortez, 2004). As an example of the improvement in indicators of quality of life, the homicide rate in São Paulo was 57.3 per 100 thousand inhabitants during the years 1999-2000, but dropped to 51.6 for the three-year period from 2001-2003.

the food card's requirement that funds be spent only on basic food, customers had to fill in forms or booklets –with the help of shop owners– informing them of what they bought.⁵⁸

Six months later on October 20, 2003, on the recommendation of special presidential advisor Miriam Belchior, the federal government decided to unify the following four programs through the Provisory nr. 132: Bolsa Escola (managed by the Ministry of Education, instituted in April 2001); Bolsa Alimentação (managed by the Ministry of Health, instituted in September 2001); Auxílio-Gás, (from the Ministry of Mines and Energy, instituted in January 2002); and Cartão Alimentação, (from the Ministry of Food Security instituted in that same year); and established the Bolsa Família Program. Bolsa Família's implementation was intended to rationalize the four programs that were often working in the same areas and to give greater value to the Single Registry of beneficiaries that had been instituted in April, 2001. The Programa de Erradicação do Trabalho Infantil established by the FHC government was gradually integrated into Bolsa Família since October 2003, and this was later accomplished through the Integration Directive between the two programs on December 28, 2005.⁵⁹

It is important to emphasize that even though only representing a modest amount, Bolsa Família corresponds to almost three times the amount of the income transfer programs of previous governments, such as Bolsa Escola, Bolsa Alimentação and Bolsa Renda (managed by the Ministry of Social Integration, a program to assist people affected by natural disasters with a benefit equal to the amount of Bolsa Escola and Alimentação).⁶⁰ Bolsa Família remained a conditional program, providing complementary income to families with monthly per capita incomes of less than R\$154, from June 2014 on.⁶¹

The development of the Bolsa Família program within the Ministry of Social Development was created in cooperation with the Ministries of Education and Health and municipal administrations, including support from the Inter-American Development Bank and the International Bank for Reconstruction and

⁵⁸ This author fully agreed with the targets of the Fome Zero program, which were also very enthusiastically defended by the Minister of Fight against Hunger, José Graziano da Silva, to develop a food security policy. Nevertheless, this author disagreed with da Silva on several points: while this author defended the principle of citizens' greater freedom to choose what to buy with resources provided them, da Silva affirmed that spending should be limited to food.

⁵⁹ The team coordinated by Miriam Belchior were constituted by Ana Fonseca; Ricardo Henriques, Anna Peliano, Maya Takagi, Mauricio Muniz, Tereza Cotta, Michelle Oliveria Lessa, representing the Ministries and Public Institutions involved in the income transfer programs administration.

⁶⁰ Bolsa Renda was later incorporated into other programs and afterwards incorporated into Bolsa Família during the Lula government.

⁶¹ Please see FONSECA, Ana M.M. and ROQUETE, Cláudio. "Proteção Social e programas de transferência de renda: o Bolsa-Família" in VIANA, Ana L.A.; ELIAS, Paulo E.M.; IBANES, Nelson, *Proteção Social. Dilemas e desafios* (São Paulo: Editora Hucitec, 2005).

Development.⁶² By 2004 the results of the *Pesquisas Nacionais por Amostra de Domicílios* (PNAD; completed by the *Instituto Brasileiro de Geografia e Estatística*, IBGE) were analyzed by a wide range of economists dedicated to studying inequality and the eradication of absolute poverty in Brazil, who demonstrated that there were very positive effects from the expansion of the program. Rodolfo Hoffmann reaffirmed this position in his article, “PNAD mostra redução na desigualdade e na pobreza” (PNAD shows reduction in inequality and in poverty):

The reduction of inequality can be verified by several indicators. The GINI index, in 2002, 2003 and 2004 is, respectively, 0.587, 0.581 and 0.569. The percentage of the income appropriated by the richest ten percent of the population dropped from 46.8 percent in 2002 to 45 percent in 2004, while the share of the richest five percent of people dropped from 33.4 percent in 2002 to 31.9 percent in 2004.

The number of Brazilians in conditions of poverty increased from 35.8 percent in 2002 to 37.5 percent in the following year, in large part due to difficult conditions in the Brazilian economy in 2003, which produced a low average income. A slight recovery of these figures was expected in 2004. Regarding to the average income, the recovery was modest, with a growth of only 3.4 percent of per capita income, after a drop of 5.8 percent between 2002 and 2003. But the reduction of inequality contributed for a more substantial reduction of poverty between 2003 and 2004. The proportion of poor people in 2004 was 34.6 percent, slightly below the figure observed in 2002.

The oscillation of the poverty level during these three years, with poverty in 2004 lower than in 2002, is confirmed by more sophisticated measures, which take into consideration the insufficiency of income of each poor person, giving more weigh to insufficiency of income of the poorer.

Hoffmann shows the effects of expanded income transfer programs such as Bolsa Escola, Renda Mínima and Bolsa Família from October 2003 on, once they became part of the statement called “other incomes”:

It could be verified that the participation of these “other incomes” in the total of domicile income increased from 1.0 percent in 2003 to 1.6 percent in 2004. And what calls attention is the extraordinary growth of the participation of this item in the total income of the poorer segments. For homes with a per capita income equal to or less than R\$50 (in 2004), this level participation rose from 11.1 percent in 2003 to 18.9 percent in 2004. For domiciles with per capita income higher than R\$50 and up to R\$100 this participation doubled from 4.2 percent to 8.4 percent. For all segments with

⁶² It should be noted that the program has substantially improved its counterpart checking mechanisms. Children up to six years of age become vaccinated according to the Ministry of Health calendar and periodically visit health clinics for the reinforcement of their nutritional development, while children from six through age 15 have to provide proof of school attendance in at least 85 percent of their classes. According to the survey released in January 2006, when the target of 8.7 million families had been reached, only 2.8 percent of the children in 2005 did not comply with this last requirement.

per capita income up to R\$300 this participation more than doubled between 2003 and 2004, doubling from 1.8 percent to 3.7 percent. It is reasonable to suppose that in these segments practically there are no yield from interests and dividends. So we can conclude that the growth of the participation of this item in the total income reflects the amplification of income transfer official programs. It is a component with very small participation in the total income, but with expressive participation in the income of the poorer segments. Its growth contributed substantially for the reduction of poverty.⁶³

Similar conclusions were expressed by economists Rosa Maria Marques, Ricardo Paes de Barros, Marcelo Neri and José Alexandre Scheinkmann. Marques writes, “Generally speaking... the less developed the municipality –characterized by low transfer of ICMS– the greater the relative importance of the Bolsa Família. In some cases, such as in Medina, without the need of further investigations, due to a guaranteed income transfer from this program for almost 30 percent of the population, there’s no doubt that the Bolsa Família is responsible for a good part of the economic activities practiced in the municipality.”⁶⁴ Paes de Barros states that it “is a new and sensational fact that inequality has decreased systematically in the past three years, representing all things that one who wants to combat the poverty would like to see in Brazil.”⁶⁵ Neri agrees, noting that the “conjugation of economic growth with a better distribution of income resulted in significant reduction in extreme poverty in Brazil in 2004. The percentage of people who lived with an income less than R\$115 per month passed from 27.26 percent in 2003 to 25.08 percent in 2004, the lowest level since 1992 (when it was 35.87 percent)... It was a year in which we had the recovery of the labor market, with the generation of formal jobs, and a new generation of social programs, like the Bolsa Família.”⁶⁶ Scheinkmann adds the following assessment:

“Despite the relatively small program, [which] in 2005 spent about 0.3 percent of GDP, the Bolsa Família, thanks to its focus on the poorer segments, [has] an important role in the diminishing of poverty in Brazil. The redistributive impact of this program will confirm the work of the Secretary of Economic Policy from the Ministry of Finance, which estimated that in 2003, 73 percent of the expenditure in Bolsa Escola benefited families who were among the 40 percent [of society’s] poorer segment... Conditional transfer programs will not solve by themselves the extreme poverty problem in Brazil. The government must increase the quantity and the quality of the education and health supply for the poor and fixing the conditions that propitiate the creation of more and better jobs by the private sector. But

⁶³ HOFFMANN, Rodolfo. *Pnad mostra redução na desigualdade e na pobreza*. 2005, mimeo.

⁶⁴ MARQUES, Rosa Maria, “A importância do Bolsa Família nos Municípios Brasileiros” (Cadernos de Estudos, N° 1, Desenvolvimento Social em Debate, Ministério do Desenvolvimento Social e Combate à Fome, Brasília, 2005).

⁶⁵ Interview with PAES DE BARROS, Ricardo in *O Estado de S. Paulo*, Caderno Aliás, 04/12/2005.

⁶⁶ NÉRI, Marcelo, “Miséria in queda: Mensuração, Monitoramento e Metas” (in *Conjuntura Econômica*, Fundação Getúlio Vargas, November 2005).

public policies aimed to the less favored are essential for the decrease of poverty in Brazil.”⁶⁷

Having confirmed the efficacy of income transfer programs associated with education and health assistance opportunities, which started under Bolsa Escola and Bolsa Alimentação and then were later unified in Bolsa Família, is it not time to take a step towards implementing a Citizen’s Basic Income?

President Luiz Inácio Lula da Silva gave an affirmation on the “Café com o Presidente” radio program broadcasted by Radiobrás on January 9, 2005 –nearly a year to the date after having sanctioned Law 10.835 on January 8, 2004 to establish the Citizen’s Basic Income– emphasizing the fact that the Bolsa Família program would reach by 2006 the total number of families that, according to IBGE, remain below the poverty line. He said the following about Brazil’s successful implementation of minimum income programs:

“Brazil that I wish is a Brazil where, someday, the State does not need to have an income transfer because people are working and earning their sustenance from their own work. It is that what dignifies the man, the woman, it is that what gives us pride, to live at the expense of ourselves, at the expense of our work, of our sweat.”

In order for us to comply with the President’s wish for all Brazilians to live at the expense of their own work, it is necessary to understand that the Citizen’s Basic Income does not correspond to any sense of charity or assistance but that it is a right granted unconditionally to all citizens of Brazil to participate in the wealth of the nation, whether produced by natural resources, produced by previous generations or provided by technological progress and invention with the participation of the whole of society.

While attending the World Social Forum in Porto Alegre in January 2005, this author spoke with Minister of the Social Development Patrus Ananias alongside Philippe Van Parijs. In this meeting, as well as at the meeting of the *Associação Nacional dos Centros de Pós Graduação de Economia* in Natal in December 2005, Ananias has expressed a great interest in the proposal for a Citizen’s Basic Income while posing some crucial questions for its success. How is it feasible to pay a reasonable amount of basic income to 187 million Brazilians, if the amount paid now to poor families by Bolsa Família is still modest? Which should be the starting amount for the basic income? Would it not be more adequate to first increase the amount of Bolsa Família? How is it possible to finance the payment of a basic income to every Brazilian? As public opinion supports the requirements of school attendance and vaccinations and considers them positive aspects of other programs, how can the government start paying non-conditional incomes guaranteed to all citizens?

⁶⁷ SCHEINKMANN, José Alexandre, “Bolsa-Família e pobreza Bolsa-Família e pobreza” in *Folha de São Paulo*, December 18, 2005.

It is paramount to remember that the law establishing Citizen's Basic Income grants great flexibility to the executive power regarding its implementation. The formation of the income transfer's size and its realization will be gradual and completed under the criterion of the National Executive, which gives priority to the neediest citizens until everyone is capable of receiving the benefit. Currently, eight income assistance programs are superimposed in the municipality of Campinas—and logically there is a great difficulty for participating families to understand in which program they should be included. If someday the Citizen's Basic Income program can be implemented in all of Brazil, it will be much simpler to explain each citizen's effective to all Brazilians. The Italian philosopher Antonio Negri, from the University of Pádua, and the political scientist Giuseppe Cocco, from the Universidade Federal do Rio de Janeiro, praised the Bolsa Família in an article in *Folha de São Paulo*, qualifying it as the embryo of a universal and citizen's income. They exalted Lula's government for aiming towards non-conditionality and trying to accelerate the popularization and democratization of the program.⁶⁸

The government needs to first evaluate the present need observed in the Bolsa Família program's 50 million beneficiaries as well as its own capacity for increasing the scope of the plan. The government could also then expand the number of eligible families who have the right to enroll in the program. An alternative to gradual implementation could also be achieved through the universal concession of the Citizen's Basic Income initially awarded to people up to 18 years of age, as is defended in Argentina by economists Ruben Lo Vuolo and Alberto Barbeito and in Brazil by economist Lena Lavinas.⁶⁹ It is to be expected that the Citizen's Basic Income should begin with a modest amount, for example R\$70 per person, totaling R\$420 per month for a family with six members; if the head of the family receives a minimum wage of R\$724 in the beginning of 2013 and there is no further income earned by the family, the family income will be R\$1144—a substantial increase in the family's income. Paying a monthly stipend of R\$70 over 12 months means a commitment of R\$840 per person per year that, when multiplied by 201 million, will necessitate an annual amount of R\$168,840 billion. This figure is approximately 6.5 times the total amount paid by the central government to fund the Bolsa Família program in 2013, of around R\$ 24 billion. This is much less, however, than what Brazil pays in interest on the public debt.

Nevertheless, even starting with a modest amount for the Basic Income as stated previously, the total amount of R\$168,8 billion, or US\$ 72, 360 billion, corresponds to nearly 3.28 percent of the present level of GDP (estimated to be US\$ 2,190 billions in 2013): it is difficult to make this amount of money available in the short term. This concern was raised as a topic of discussion between this author and

⁶⁸ NEGRI, Antonio e COCCO, Giuseppe, "Bolsa-Família é embrião da renda universal" in *Folha de S. Paulo*, 05/01/2006.

⁶⁹ VUOLO, Rubén Lo, and BARBEITO, Alberto C., *Contra la exclusión. La propuesta del ingreso ciudadano* (Buenos Aires, Ciepp/CIEPP/Mino y Dávila, 1995). See also LAVINAS, Lena, et al., "Exceptionality and Paradox in Brazil: From Minimum Income Programs to Basic Income,"⁹th International Congress, BIEN, Geneva, September 12-14, 2002.

former Minister of Finance Antonio Palocci, which is why it is important to introduce the system gradually. Minister Palocci stated that a possible course of action is to extend the Basic Income first to families, granting it afterwards to each individual citizen. Another possible solution is to finance the program through the creation of Citizen's Brazilian Fund which over time would be able to provide the necessary resources to pay the basic income in accordance to the model formulated first by Thomas Paine and later implemented in the form of the Alaska Permanent Fund. This is the main purpose of the law presented by this author to the Senate in 1999, and which has already been approved by the Senate in August 2006. It will now be examined by the Chamber of Deputies. The initial capital for the fund would be constituted by 10 percent of the shared participation of the Federal government in the capital of the public companies. The resources of the fund would be formed by endowments consigned to the federal budget; 50 percent from royalties produced by natural resources; 50 percent from resources proceeding from concessions of public works and services; 50 percent from rents coming from federal real estates and other assets and donations. In the past two years, however the Federal Government and the National Congress approved laws to destine the royalties from exploration of oil and natural resources mainly to educational and health program purposes.

Regarding the improved conditions whose development was enabled by previous programs that are viewed positively by the public (such as Bolsa Família), one should take into consideration the teachings of the great educators who showed that education is a liberating process through which the person gains greater conscience. Similar to wealthier families' commitment to getting their children vaccinated and sending them to the best schools, one can also expect that families with less money, once given the right to receive a basic income, will also make efforts to improve their participation in education and the health of their children

XI. Conclusion

When Brazil institutes the Citizen's Basic Income it may soon be accompanied by other countries in the Americas as well: ideally, the participation of many more countries in basic income programs would harmonize the common defense of social rights throughout Latin America. Evidence of this defense can be found in the region when an important step was recently taken by the province of Alberta, Canada. In January 2006 all people living in the province received 400 Canadian dollars as part of a democratic distribution that the government of that province decided to implement because of the positive results from oil and economic activities that had generated increasing revenues.⁷⁰ This decision marks the implementation of a Citizen's Basic Income similar to that found in Alaska 30 years ago. Brazil, however, is the first country in which the Congress has approved a law for the national implementation of a basic income.

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BIEN Newsletter 36, November 2005, <<http://www.gov.ab.ca/home/albertasurplus>>.

In 2003, as the law was awaiting approval in the Chamber of Deputies, the author of this paper delivered a lecture at the *Fundação Estadual do Menor* (State Children's Foundation) in São Paulo. This author sought to transmit the reasoning behind basic income programs, citing the examples presented above, and conveyed to the capacity audience the idea that, were the Citizen's Basic Income already been in effect at the time of young people's crimes, they would very likely not have been pushed to commit the offenses that led to their arrest. For a better understanding, one need only be reminded that when the President Luiz Inácio Lula da Silva was a boy from the inland region of Pernambuco, he traveled with his family by truck to São Paulo at just seven years of age; Lula's achievements many years later might have been unthinkable as a boy, but with the Citizen's Basic Income they can become a possibility for all Brazilians. It is necessary that all citizens have sufficient alternatives that allow them to live with dignity—the most important aspect of the Citizen's Basic Income. Now that the law has been approved by the government, the only task that remains is to implement the policy on a national level: Brazil will be better place when the Citizen's Basic Income takes full effect.

It is generally agreed that the significant expansion of the Bolsa Família Program and its positive effects, among other important aspects, has contributed for President Lula to be reelected with 58.295.042 or 60.8% of the votes in the second round, in October 29, 2006. How will the Bolsa Família evolve? The same happened for the victory of President Dilma Rousseff, in 2010, with 55.752.529 or 56.05% of the votes , in the second round, and who will be a candidate for reelection next October 5, 2014. How will the Bolsa Família evolve?

It is relevant to know that in some municipalities, such as Santo Antonio do Pinhal and Apiaí, laws were approved to gradually institute a Citizen's Income for all its inhabitants. They have constituted The Citizen's Basic Income City Council to discuss the steps toward making it feasible. Mayor Fernando Haddad, of São Paulo, of the PT, elected in 2012, has in his program the gradual transition of the Bolsa Família Program to the Citizens Basic Income, in cooperation with the State and Federal Government. As a first step, taking into account Philippe Van Parijs advice, he intends to fully complete the objective of the Active Search regarding the Bolsa Família Program.

Last January, this author sent a letter to President Dilma Rousseff, together with a letter to Dom Odílio Scherer, Cardinal Archbishop of São Paulo, in which the author proposes to her the creation of a Working Group to study the steps towards the Citizen's Basic Income in Brazil. Here is the letter. I am waiting for the answer that for the time being, is blowing in the wind. I hope to have a word from her before my presence in Montreal, in June 27.

XII. A Letter to President Dilma Roussef

"I ask God to give us more politicians capable of sincere and effective dialogue aimed at healing the deepest roots – and not simply the appearances – of the evils in our world! Politics, though often denigrated, remains a lofty vocation and one of

the highest forms of charity, inasmuch as it seeks the common good.(...) Economy, as the very word indicates, should be the art of achieving a fitting management of our common home, which is the world as a whole. Each meaningful economic decision made in one part of the world has repercussions everywhere else; consequently, no government can act without regard for shared responsibility."

Pope Francis in "Evangelii Gaudium. The Joy of the Gospel" on November 24, 2013

"We should all follow the example of Jesus who, though being so rich, yet for your sakes decided to become and to live among the poor. So that, as it is written, we should have justice, we should have equality, and he who gathered much had nothing left over, and he who gathered little had no lack."

Second Epistle of Saint Paul to the Corinthians.

"I advocate for the need of us giving the minimum to each one, in accordance with the right that all Brazilians have to get a minimum for survival."

Josué de Castro, on March 24, 1956, in a speech in the House of Representatives about the differences of income in Brazil.

"Give all citizens a modest income, but unconditional, and let them complete it with income from other sources."

Philippe Van Parijs, in a speech to the European Union Meeting in Almancil, Portugal, 1-2/2, 2002.

"Instead of inflicting these horrible punishments, it would be far more to the point to provide everyone with some means of livelihood, so that nobody's under the frightful necessity of becoming first a thief and then a corpse."

Thomas More in "Utopia" in 1516.

"In 2016, the Catholic University of Louvain, Belgium, will pay a tribute to the 500 years of *Utopia*, by Thomas More. He was canonized a Saint by the Catholic Church in 1935, and proclaimed Patron of Statesmen and Politicians, in 2000, by Pope John Paul II, for his belief in the primacy of truth over power, and for been the source of inspiration for politics as a means of serving the human being above everything. Based on Thomas More's reflections, his friend Juan Luis Vives, in 1526, presented the first proposal for a guaranteed minimum income to the mayor of the Flemish city of Bruges, in "De Subventionem Pauperum Sive de Humanis Necessitatibus."

Dear Dom Odilo Scherer:

Thank you very much for the copy of The Joy of the Gospel, by Pope Francis, that you handed me during my visit, on December 23rd, to Amparo Maternal, along with the Minister of Health, Alexandre Padilha. As I told you, I took the other copy to Professor Dalmo de Abreu Dallari, who has been always very supportive of Amparo Maternal that, for 74 years has delivered very good services to mothers from São Paulo, especially the neediest ones, always based on the principle of **never refusing anyone**. In these 74 years of existence, 700,000 babies were born there. The Mass we had there was very beautiful, with so many mothers and their babies, the volunteers, physicians and nurses.

I read the full Evangelii Gaudium during the Holidays, what led me to deep reflections. I wrote the letter below with a suggestion to President Dilma Rousseff that, if embraced by her, will contribute very much for the larger purposes referred by Pope Francis.

My Best regards,

Senator Eduardo Matarazzo Suplicy

São Paulo, January 2nd, 2014

Your Excellency Ms. Dilma Vana Rousseff

President of the Republic of Brazil

Palácio do Planalto

Brasilia, Distrito Federal

Dear President Dilma Rousseff:

I would like to reiterate my thanks to the generous way in which Your Excellency referred to me last December 19th, during the Christmas Celebration with the Homeless and the Cooperatives of Collectors of Recycled Material, by mentioning that I have been present to these occasions since 2003, when President Luiz Inacio Lula da Silva started this laudable practice of approaching the poorest people, very consistent with Pope Francisco's recent preaching.

A few days ago, in a meeting of PT councilmen in Itupeva, I asked President Luiz Inacio Lula da Silva if, during his eight years in office, he had received a letter signed by 81 senators with recommendations for economic and social policy. He answered no. Then, I showed him the letter handed to you last October 25th,

signed by each and every one of the 81 senators from Brazil, from 16 different parties. By consensus, all of them recommended Your Excellency to create a Working Group to study the steps for the institution of CBI, as envisaged in Law 10.835/2004.

January 8th, 2014 will be a special date. It's the tenth anniversary of the sanction, by President Luiz Inácio Lula da Silva, of the law which provides for the gradual establishment of the CBI, starting with the most needy, as the Bolsa Família program already does, until one day when all residents in Brazil, including foreigners living here for five years or more, will receive an income that, with the progress of the nation, will be sufficient to meet his/her basic needs. It will not be denied to anybody. Those who have more, us included, will obviously contribute in a way that everyone will receive. Recognizing the advantages of the proposition, Congressmen from all parties voted for, both in the Senate as in the House of Representatives.

The fact that Brazil is the first country in the world which the National Congress approved a law for this purpose has had great international repercussion. It encouraged debates on the implementation of an Unconditional Basic Income in all continents, following the example of Namibia, India, and Uganda, where recent local experiments were conducted successfully; of Switzerland, where 126,000 citizens signed a petition delivered to Parliament last October 4, regarding the organization, within four years, of a referendum asking whether the eight million inhabitants will start receiving a monthly income of 2,500 Swiss francs; of the European Union, where signatures are being collected so that the European Parliament promotes a hearing on the Basic Income in Europe; of Alaska, where a successful experience of paying an equal dividend to all inhabitants, since the early eighties, led it from the most unequal, in 1980, to the most egalitarian of the 50 U.S. States, today; and of Latin America: on November 30th, 2012, in Panama City, the General Assembly of the Latin American Parliament approved the Ley Marco de La Renta Basica, based on the Brazilian law and prepared by Representatives Maria Soledad Vela Cheroni, from Ecuador, Rodrigo Cabezas, from Venezuela, Ricardo Berois, from Uruguay, and by me, to be presented as a model to every parliament in Latin America and the Caribbean, to gradually introduce the Basic Income.

As the author of the Law establishing the CBI, I have been invited to discuss the positive effects of the development of the Bolsa Família Program and the perspective of implementing the CBI. Thus, next January 20th to 23rd I will attend the Basic Income in Development Co-operation Seminar in Helsinki, Finland; on January 31st and February 1st, the Symposium of La Renta Basica in San Sebastian, Spain; and on June 26th to 29th, the XVI International Congress of the Basic Income Earth Network, BIEN, in Montreal, Quebec, Canada, of which I am Co-President of Honor.

It will be an honor for me to act as a herald in these international conferences with the good news of Brazil's great advances in reconciling economic growth and the reduction of extreme poverty and socioeconomic inequality, and how Your

Excellency will be sowing the seeds towards the objective of the CBI, Unconditional, through the establishment of this Working Group. Allow me to highlight that the purpose of the transition of the Bolsa Família Program to the CBI was approved by consensus of the delegates present to the PT IV National Congress, in which your candidacy for the presidency was confirmed in February 2010, and again accepted by consensus during the PT Fifth National Congress, held last December 12th to 14th, in Brasília.

I have good news for you. Yesterday, I received the excellent news that the Editions Calmann Levy, one of the best publishers in France, approved the publication in French of my book, "Citizenship Basic Income. The exit is through the door", published by Editora Fundação Perseu Abramo and Cortez Editora, 1st ed. 2002; 7th ed. 2013.

I remind you that the suggestion made by all senators was based on the proposal submitted by more than 300 intellectuals gathered at the International Seminar on Democratic Inventions – Constructions of Happiness, at the NUPSI-USP, held last September 19th to 22nd, 2013, under the leadership of professors like Marilena Chauí and Paul Singer. Precisely Paul Singer, Secretary of Solidarity Economy since the Lula government, always a strong presence in the measures announced for the Cooperatives of Collectors of Recycled Material, and who has insisted, since the 80s, that we should include an income guarantee in PT Program, volunteered to participate in the Working Group to study the steps toward the CBI. He will work in close cooperation with Ministers Tereza Campello, Myriam Belchior, Gleisi Hofmann and Ministers Guido Mantega, Marcelo Nery, Manoel Dias and Garibaldi Alves.

This Working Group might be composed by some people who, in recent years, have given significant contributions to studies on income transfers and ways to eradicate extreme poverty, to reduce social inequality and to build a society in which the principles of justice are actually applied. Among many people, allow me to suggest Ana Maria Medeiros da Fonseca, José Graziano da Silva, Lena Lavinás, Marcio Pochman, Nelson Barbosa, Luiz Carlos Bresser Pereira, Antonio Delfim Netto, Ricardo Paes de Barros, Maria Ozanira Silva e Silva, Roberto Mangabeira Unger, Edmar Lisboa Bacha, Maria Carmelita Yazbek, Aldaísa Sposati, Ladislaus Dowbor, Fábio Waltenberg, David Calderoni, Sérgio Luiz Moraes Pinto, Samir Cury, João Saboia, Celia Lessa Kerstenetsky, Renato Maluf, Walter Belik, Clovis Zimmermann, Frei Betto, Leonardo Boff, Marilena Chauí, Sonia Draibe, Ana Lúcia Lobato, Luis Guilherme Oliveira Schimura, Sonia Rocha, Marcia Lopes, José Márcio Camargo, Ricardo Henriques, Rosane Mendonça, Carlos César Marques Frausino, José Augusto Guarnieri Pereira, Clodomiro Correia de Toledo Junior, Marina Nobrega, Augusta Bruna Pereira, Marcus Vinicius dos Santos Brancaglione, Marília Pastuk, Clemente Ganz Lúcio, Írio Luiz Conti, Leticia Bortolo, Camaro Bruno Pinto, Jorge Abraham, Carlos Alberto Ramos, Cândido Grzybowski, André Portela, Lucia Modesto, Carlos Roberto Azzoni, Alvaro de Vita, Ana Celia Castro, Jorge Marcelo Paixão de Paula, Ana Flávia Machado, Morsis Tadeu de Souza, Antonio Augusto de Queiroz, Ana Lucia

Saboia, Nubia Alves Maria Cruz, Elenise Scherer, Patricia Soraya Mustafa, Claudio Ratchet, Maria Sylvia Barros Carvalho, Walquiria Leão Rego, Maria da Conceição Tavares, Luiz Gonzaga de Mello Belluzzo, Ricardo Abaramovay, João Joaquim de Mello Segundo, José Carlos de Assis, Anderson Lopes Miranda, Francisco Nóbrega, Rodolfo Hoffmann and so many collaborators of your ministries, especially the MDS.

I am pretty sure that the members of the Basic Income Earth Network, BIEN, scholars who perform deep studies on the subject, as Philippe Van Parijs, Karl Widerquist, Clauss Offe, Guy Standing, Ingrid Van Niekerk, Daniel Raventós and Rubén Lo Vuolo will be keen to cooperate with the Working Group.

I am aware that Your Excellency has been concerned about suggestions that mean new budget responsibilities. However, this case regards precisely the formation of a working group that will study in depth the gradual viability of a subject that has already been passed into law by consensus due to the extraordinary importance of its benefits. I emphasize that most of these above mentioned scholars will feel honored to voluntarily collaborate with the CBI Working Group. A possible starting point could be the bill that creates the Brazil Citizenship Fund, of which I am the author, already approved by the Senate, in progress in House of Representatives.

Your Excellency is aware that I normally do not indicate any names for any positions in public administration, being for a minister post or their assistants. In this case, however, I am suggesting several names, based on these people's studies, as a contribution for you best decision. Among these and others that Your Excellency assess as the best, Your Excellency may choose the appropriate number to compose the Working Group. Your government may be ennobled for being the first one to adopt the CBI in a nation. If this happens by 2017, Your Excellency will be able to communicate to Pope Francisco, during his next visit for the 300th anniversary of Nossa Senhora Aparecida, that our country allows all Brazilians to participate effectively in the common wealth of our nation, providing everyone with the utmost dignity and real freedom.

I am forwarding copies of this message to President Luiz Inacio Lula da Silva, who sanctioned Law 10.835/2004 and has closely followed all these developments, to Minister Secretary General of the Presidency, Gilberto Carvalho, to Minister of Social Development and Fight Against Hunger, Tereza Campello, and to the Secretary of Solidarity Economy, Paul Singer.

My best wishes for great success in 2014. I reiterate my strong willingness to work for the achievement of the major goals of your administration. I would like to request a personal meeting with Your Excellency, which has not happened since the beginning of your government, in the week starting on January 6. Last August 2013, at the end of the hearing that I attended with the other senators of PT, I asked you about the letter on this subject that had been sent to you in June. Your Excellency said that it had been forwarded to the Minister of Social Development. So far, there has been no response.

Cordially,

Senator Eduardo Matarazzo Suplicy

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PS. On January 17, I had a conversation with Minister Tereza Campello on the phone on the proposal of the Working Group to study the steps toward the Citizen Basic Income . She sincerely expressed his concern about the possible effect that the expectation of a CBI could have in terms of increasing prejudice against the Bolsa Família Program and the Minimum Income Guarantee. Because even in the short and medium term, it would be difficult to carry out the purpose of paying the Basic Income with budgetary constraints that exist today, even to improve the value of the benefit of the Bolsa Família. I argued, however , that all these suggested names to participate in the Working Group are in favor of the Bolsa Família Program, recognizing all the positive benefits that occurred up to now, but it would be interesting to study how and when the CBI is feasible . I would have no fear of the negative effects coming from the creation of this Working Group, which was the subject of the appeal to President Rousseff made by 81 Brazilian senators from all parties as well as the unanimous decision of the Workers Party. Minister Tereza Campello mentioned that if the president decides to set up the Working Group to study the steps toward the RBC, she is ready to cooperate and even to coordinate the group.

XIII. Table 1: Coverage of the Bolsa Familia Program by State

Coverage of the Bolsa Familia Program by State				Coverage		Ranking				
State	Total of Families with per capita income of up to R\$ 140.00 in Mar/2014 [a]	Families Benefited by BFP in MAY/2014 [b]	Coverage of the Bolsa Família [b / a = c]	Dec/2013 [d]	Evolution [c-d]	2014-05	2014-04	2013	annual	monthly
CE	1.301.075	1.090.716	83,83%	81,77%	2,06%	1	1	1	0	0
AM	442.377	358.975	81,15%	81,38%	-0,24%	2	3	3	1	1
AL	538.566	436.867	81,12%	80,65%	0,47%	3	4	4	1	1
PA	1.079.454	873.712	80,94%	81,49%	-0,55%	4	2	2	-2	-2
SE	344.398	274.765	79,78%	80,22%	-0,44%	5	5	6	1	0
MA	1.219.660	963.541	79,00%	80,39%	-1,39%	6	6	5	-1	0
AC	101.223	78.448	77,50%	77,80%	-0,30%	7	7	7	0	0
TO	179.611	138.962	77,37%	75,67%	1,70%	8	8	13	5	0
PB	658.874	508.956	77,25%	77,13%	0,12%	9	9	8	-1	0
BA	2.331.527	1.774.099	76,09%	76,80%	-0,71%	10	10	10	0	0
RN	469.163	356.199	75,92%	75,76%	0,17%	11	11	12	1	0
PI	588.850	446.031	75,75%	77,00%	-1,25%	12	12	9	-3	0
RR	61.268	46.356	75,66%	76,43%	-0,77%	13	13	11	-2	0
MS	195.253	146.831	75,20%	72,18%	3,02%	14	15	17	3	1
PE	1.506.563	1.132.356	75,16%	75,43%	-0,27%	15	16	15	0	1
RJ	1.126.523	841.295	74,68%	75,55%	-0,87%	16	14	14	-2	-2
ES	272.191	195.487	71,82%	69,76%	2,06%	17	17	19	2	0
MG	1.613.262	1.154.015	71,53%	69,54%	1,99%	18	19	20	2	1
MT	262.023	186.539	71,19%	70,47%	0,72%	19	20	18	-1	1
AP	73.866	52.371	70,90%	72,77%	-1,87%	20	18	16	-4	-2
RO	167.782	115.154	68,63%	68,96%	-0,33%	21	23	21	0	2
PR	611.011	415.327	67,97%	65,42%	2,55%	22	21	24	2	-1
GO	496.669	334.481	67,34%	67,44%	-0,10%	23	22	22	-1	-1
SP	2.050.028	1.343.153	65,52%	67,24%	-1,72%	24	24	23	-1	0
RS	683.527	444.834	65,08%	64,51%	0,57%	25	25	25	0	0
DF	145.895	92.765	63,58%	62,46%	1,12%	26	26	26	0	0
SC	232.723	138.035	59,31%	58,62%	0,70%	27	27	27	0	0
BR	18.753.362	13.940.270	74,33%	74,28%	0,05%					

XIV. Table 2: Coverage of the Bolsa Familia Program by Capital of State

Coverage of the Bolsa Familia Program by Capital of States				Coverage		Ranking		
City	Total of Families with per capita income of up to R\$ 140.00 in Mar/2014 [a]	Families Benefited by BFP in MAY/2014 [b]	Coverage of the Bolsa Família [b / a = c]	Dec/2013 [d]	Evolution [c-d]	2014-05	2013	Annual
Aracajú	49.949	42.606	85,30%	79,81%	5,49%	1	5	4
Curitiba	37.708	31.437	83,37%	88,42%	-5,05%	2	1	-1
Cuiabá	30.253	25.149	83,13%	84,59%	-1,46%	3	2	-1
Maceió	110.815	89.020	80,33%	80,19%	0,14%	4	4	0
Palmas	14.163	11.140	78,66%	79,45%	-0,80%	5	6	1
Fortaleza	249.710	194.497	77,89%	75,77%	2,12%	6	10	4
Campo Grande	39.540	30.640	77,49%	81,74%	-4,25%	7	3	-4
Rio de Janeiro	310.333	238.464	76,84%	78,66%	-1,82%	8	7	-1
Manaus	178.797	136.657	76,43%	77,80%	-1,37%	9	9	0
Belém	132.826	101.440	76,37%	75,11%	1,26%	10	11	1
Rio Branco	32.156	24.040	74,76%	77,92%	-3,15%	11	8	-3
São Luís	121.715	88.531	72,74%	69,80%	2,94%	12	20	8
Recife	173.588	125.070	72,05%	73,66%	-1,61%	13	13	0
João Pessoa	80.900	57.260	70,78%	70,77%	0,01%	14	17	3
Vitória	16.883	11.806	69,93%	71,35%	-1,42%	15	15	0
Boa Vista	31.891	22.299	69,92%	71,37%	-1,45%	16	14	-2
Macapá	31.105	21.543	69,26%	75,05%	-5,79%	17	12	-5
Teresina	100.393	68.287	68,02%	70,72%	-2,71%	18	18	0
Belo Horizonte	100.137	67.416	67,32%	71,01%	-3,68%	19	16	-3
Natal	68.358	44.802	65,54%	70,47%	-4,92%	20	19	-1
Porto Aegre	81.220	52.806	65,02%	63,13%	1,89%	21	25	4
Porto Velho	38.864	25.093	64,57%	63,46%	1,11%	22	24	2
Brasília	145.895	92.765	63,58%	64,40%	-0,81%	23	22	-1
São Paulo	568.133	360.950	63,53%	63,98%	-0,45%	24	23	-1
Salvador	276.851	159.861	57,74%	65,34%	-7,60%	25	21	-4
Florianópolis	9.235	4.648	50,33%	54,82%	-4,49%	26	26	0
Goiânia	54.422	27.096	49,79%	54,55%	-4,76%	27	27	0
BR	18.753.362	13.940.270	74,33%	71,24%	3,10%			