Managing Social and Economic Opportunities for people in poverty and extreme poverty: the strategy of the Rio de Janeiro State Department of Social Assistance and Human Rights

Productive inclusion: connecting safety nets to urban job opportunities

Enzo Mayer Tessarolo
Rio de Janeiro State Department of Social Assistance and Human Rights

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Brazil is a Federative Republic with 26 states and a Federal District.

About the **State of Rio de Janeiro**: 

- It has 92 municipalities and an area of 43,000 km²;
- It is the **second largest economy** and has the **third highest GDP per capita** among the Federal States (2014);
- Nearly **74 % of people in the state live in the metropolitan area** (12.081 million from 16.399 million people*), which, since 2012, has the **highest costs of living among the metropolitan regions**, measured by the IBGE;
- Only **3% of the population** (496,000) live in rural areas.

*PNAD/IBGE, 2013*
High concentration of poverty and extreme poverty in the Metropolitan Area

The Metropolitan Area concentrates:
- 71% (979,079) of the families with a monthly per capita income of ½ minimum wage (US$ 100);
- 64% (134,344) of the families with a monthly per capita income up to US$ 20
High concentration of poverty

The Metropolitan Area concentrates:

• 71% (979,079) of the families with a per capita income of ½ minimum wage (US$ 100);
• 64% (134,344) of the families with a per capita income up to US$ 20
Rationale & Context

• The 2000’s was a decade marked by improvements in indicators of poverty and inequality

• However, extreme poverty persists: more than 550,000 people living with a monthly per capita income lower than U$20 (Census 2010);

• Brasil sem Miséria and Rio Sem Miséria (Rio Without Extreme Poverty Plan): overcoming extreme poverty as a priority on the national and State agenda. Launched in 2011;

• Next Step of the Plan: promote social and economical inclusion to the poor and extreme poor.
Rationale & Context

Income inequality - Gini Index – 2001 to 2013, Brazil and Rio

The Gini Index in the State of Rio de Janeiro shows a strong resistance to fall

Source: IPEADATA, 2014
### Incidence of poverty and extreme poverty - % - State of Rio de Janeiro

<table>
<thead>
<tr>
<th>Year</th>
<th>Poor (%)</th>
<th>Extreme Poor (%)</th>
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<tbody>
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<tr>
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**Poor:** people with a monthly per capita income lower than R$ 154 (US$ 40)
**Extrema poor:** people with a monthly per capita income lower than R$ 77 (US$ 20)

Source: IBGE/PNAD, 2014
Rio Without Extreme Poverty Plan and its socio-economic inclusion Strategy (GOES)

Extreme poverty situation

Multidimensional approach to poverty
- labor
- housing
- Acess to services
- education
- vulnerabilities
- income

Eligibility and targeting based on estimated income (proxy means testing approach)

Diagnostic

Interrelated strategies and programs
- Cash transfer
- Education
- Productive inclusion
- Job training
- Financial inclusion

Intervention

Expected Results

Inclusive and sustainable development
- Short term
  - Basic needs satisfied, women empowered
- Medium term
  - Education and employability increased
- Long term
  - Social and economical inclusion
  - Life quality assured
The focus of today: Managing social and economical opportunities (GOES)

• **What** is GOES: the strategy of the Rio the Janeiro State for socio-economical inclusion of the poor and extremely poor;

• **How** does it work:
  
  1) uses implementation arrangements of existing federal and state programs (for example: PRONATEC/BSM, case 01);
  
  2) promotes inters-sectoral, interstate, multi-institutional actions and interventions (case 02, case 03)

• **For whom**: all registered in Cadastro Único, especially those in extreme poverty and youth in extreme poverty

• **What does GOES offers**: productive inclusion, financial education, job training, income generation

12 November 2015
For whom: target groups

- **Cadastro Único**: 1,378,984 families
  - Per capita income up to 1/2 minimum wage (US$ 100) – Jan/2015

- **Bolsa Família**: 825,974 families
  - Per capita income up to R$ 154 (US$ 40) – Jan/2015

- **Renda Melhor**: 211,478 families
  - Estimated per capita income up to US$ 20 – Folha Raiz 2015

- **Renda Melhor Jovem**: 15,240 beneficiaries
  - Young people in extreme poverty enrolled in public high schools under 18 y/o

Source: Portal RSM

State population: 16.5 million inhab. (Censo 2010)
National Program of Job and Technical Education Access (Pronatec/BSM)

- **Goal**: to promote productive inclusion, through the provision of free professional and technical job training courses;

- **For whom**: people in poverty enrolled in Cadastro Único;

- **How**: usage of the federal arrangement (funds and existing networks of training institutions); job diagnosis on local and regional level; funds for food and transportation; negotiations between stakeholders;

- **What has the State implemented**: promoted information campaigns to encourage municipalities adhesion to the Program; strengthened the articulation between municipalities and the training institutions; expanded the number of training institutions; created the State Monitoring Committee; provisioned technical support and information;
Case 01: building on existing federal programs to promote productive inclusion

National Program of Job and Technical Education Access (Pronatec/BSM)

- **Results in the State of Rio de Janeiro:**
  - 32 to 92 Municipalities participating from 2012 to 2014;
  - 35,910 enrollments from 2012 to 2014;
  - 19,639 students concluded their courses;

- **Obstacles:** big administrative asymmetry among the municipalities; limitations of the federal information system; little information about job insertion; mismatch between the offered courses and the intended courses by the target groups and the municipalities.
Case 02a: promoting interstate, multi-institutional actions to endorse job training to the youth

Partnership with Centro de Integração Empresa-Escola (CIEE)

- **What is CIEE:** philanthropic institution, maintained by the private sector, focused on providing internship and learning opportunities to the youth;

- **Goal:** to improve *socio-emotional skills*, through courses on *leadership, citizen participation* and *labor orientation*;

- **For Whom:** youth in extreme poverty (Renda Melhor Jovem beneficiaries) living in the metropolitan area;

- **How:** use of the State Education Department equipments and facebook to communicate the project; *family involvement* on the learning process; 60h courses per semester (*portuguese/math - 24, behavioral and technical skills – 30h, basic rights – 6h*); 30 students per class;

- **Results in the State of Rio de Janeiro :**
  - Number of young people trained from 2012 to 2015: 1,038;
  - Number of Renda Melhor Jovem (RMJ) beneficiaries trained: 470 (45%);

- **Obstacles:** little information regarding employability; students drop outs
Case 02b: promoting interstate, multi-institutional actions to endorse job training to the youth

Partnership with Coca Cola Institute

• **Goal:** to improve the personal and professional skills, through courses on *entrepreneurship and retail sector*;

• **For whom:** young people in poverty and extreme poverty, specially the beneficiaries of Renda Melhor Jovem, living in the Metropolitan area;

• **How:** use of non governmental organizations for capacitating the youth; informational campaigns in schools and between the youth and the families;

• **Results:**
  - Number of young people trained from 2011 to 2015: 12,900;
  - Number of Renda Melhor Jovem (RMJ) beneficiaries trained from 2011 to 2015: 624;
  - Trained beneficiaries participate as teachers on the next training programs

• **Obstacles:** lack of information regarding employability;
Case 03: promoting multilevel, multi-institutional actions to endorse financial education

Pilot project - Partnership with Fundación Capital

- **Goal**: to empower the financial decisions of the target group, to diminish their debt risk, to promote socio-economical stability;

- **For whom**: people in poverty and extreme poverty (beneficiaries of Bolsa Família and Renda Melhor);

- **How**: use of technology (tablets) and games specially designed for the targeted group; use of municipal agents as monitors for visiting, circulating the tables between the selected families and reporting data; data evaluation;

- **Results in the State of Rio de Janeiro**:
  - 3,888 families visited in 4 municipalities (Magé, Nova Iguaçu, São Fidélis, Búzios), from August do November 2015;

- **Obstacles**: families migration;
Ongoing partnerships

- **Metrô Rio**: Internship opportunities
- **FAETEC**: Training courses
- **Fundación Capital**: Financial education, Qualitative studies
- **PDE / Pronatec / Brasil Sem Miséria**: Training courses, Job qualification
- **COLETIVO**: Job training
- **CIE**: Job training, Internship opportunities
- **Escola de Serviço Social - UFRJ**: Scholarship opportunities
- **SENAI**, **Senac**, **SENAR**, **SEST**, **SENIAT**: Job training
Opportunities

- Existence of institutions mapping poor people’s needs and elaborating labor diagnosis
- Existence of labor data bases
- Multiple networks and actors offering social and economic opportunities
- Existence of federal funds as incentives for municipalities cooperation

Challenges

- Mismatch between demand and supply of opportunities
- Little information regarding employability
- Overlapping actions and projects
- Big administrative asymmetry among the municipalities;
Use existing arrangements and networks of stakeholders

Promote face to face meetings between stakeholders

Inform and promote exchange of experiences between municipalities

Involve families in the youth training

Focus on socio skills training to the youth

Ensure better adjustment of local needs and socio-economic opportunities

Gain the trust of the targeted groups and stakeholders

Balance the municipalities administrative capacity

Diminish students drop outs

Enhance employability
Next step: the creation of the GOES State Network

GOES Think Thank

- Promotes the exchange of experience and knowledge, identifies innovative practices in cross-cutting areas of GOES strategy, monitors and discusses the development of the Strategy

GOES network

- Composed by institutions, networks and actors of the public and private sectors, as well as the civil society, whose purposes are provide social assistance and offer social and economic opportunities for people in poverty;

Web Platform

- Structuring element of the Goes Strategy
- Actors participating in the GOES Network will be identified and will be able to register and/or consult the economic and social needs or opportunities
- Monitor trajectories
Thank you!

Enzo Mayer Tessarolo
Rio de Janeiro State Department of Social Assistance and Human Rights
enzotessarolo.socialrj@gmail.com
Impact evaluations

Programa Renda Melhor

- Small, but significant effect over the well being of youngs and adults: increase on the labor market insertion; reduction of the child labor of kids between 10 to 13; increase of meat and fruit consumption;
- The estimated income methodology works better than the self declared income methodology for identifying poor families
Source (CEPERJ, World Bank, MDS, SAE/PR)

Programa Renda Melhor Jovem

- Beneficiaries perceive the program as an incentive or support for youth education;
- Most students see the grant as a stimulus for continuing their education;
(Source: Fundación Capital, 2013)

- The program reduces dropout rates and increases the promotion by grade rates of students in high school
(Source: Pontifical Catholic University of Rio de Janeiro (PUC-RJ))