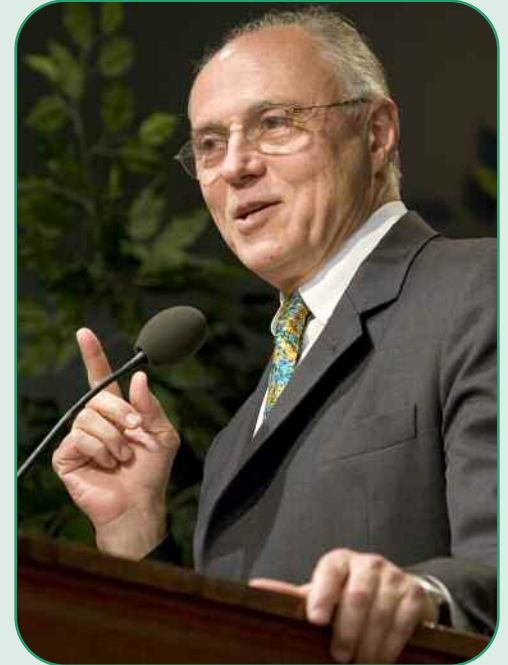


## Setting a Course for Equality *Guaranteed Minimum Income in Brazil*

Roughly equivalent to the landmass of the continental United States, Brazil has effectively utilized its vast natural and human resources to secure its position as a leader in the region and hemisphere. However, with almost 50 million of the nation's 181 million inhabitants residing below the poverty line, Brazil has one of the most unequal income distributions in the world.

In recent times many worthwhile programs have been introduced to combat this inequality, but none perhaps so bold or as promising as the Citizen's Basic Income (CBI) legislation (Bill no. 10.385) signed into law by Brazilian President Luis Inácio Lula da Silva in January of 2004. Grounded in the principle that an unconditional and guaranteed minimum income can strike a major blow for the eradication of poverty, this initiative will be implemented gradually over the next several years.



Eduardo Suplicy

At a February 10 session, *Brazil @ the Wilson Center* and The Inter-American Development Bank were pleased host the author of this landmark legislation, Brazilian Senator **Eduardo Suplicy**. A member of Lula's Partido Trabalhadores (Workers Party), Senator Suplicy has been working on these issues for many years, and had recently completed a period of research in residence at the Woodrow Wilson Center. His presentation provided insight into the origins and fundamentals

of this program, which he believes can bestow dignity and real freedom for not only the people of Brazil, but for many unequal nations of the world.

Despite its position among the top 20 economies, Brazil has one of the most unequal distributions of income in the world. With nearly 50 million inhabitants residing below the poverty line, many resources have been tasked to combat this problem. A recent example is the Bolsa Familia program, which consoli-

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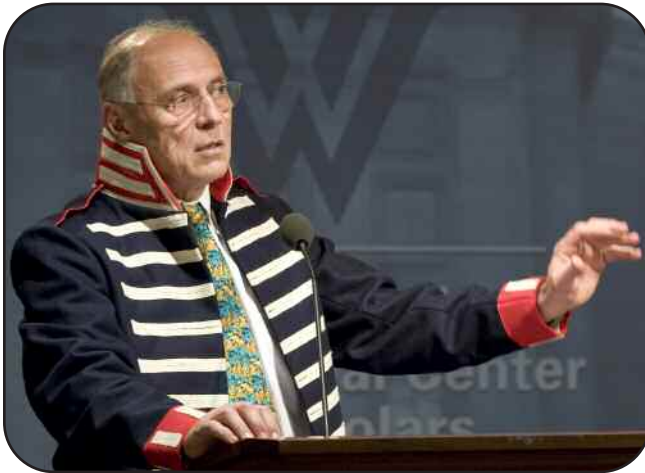
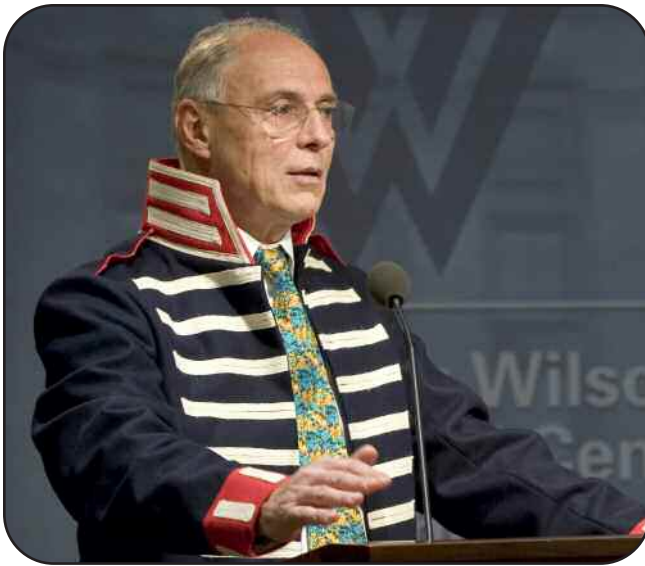
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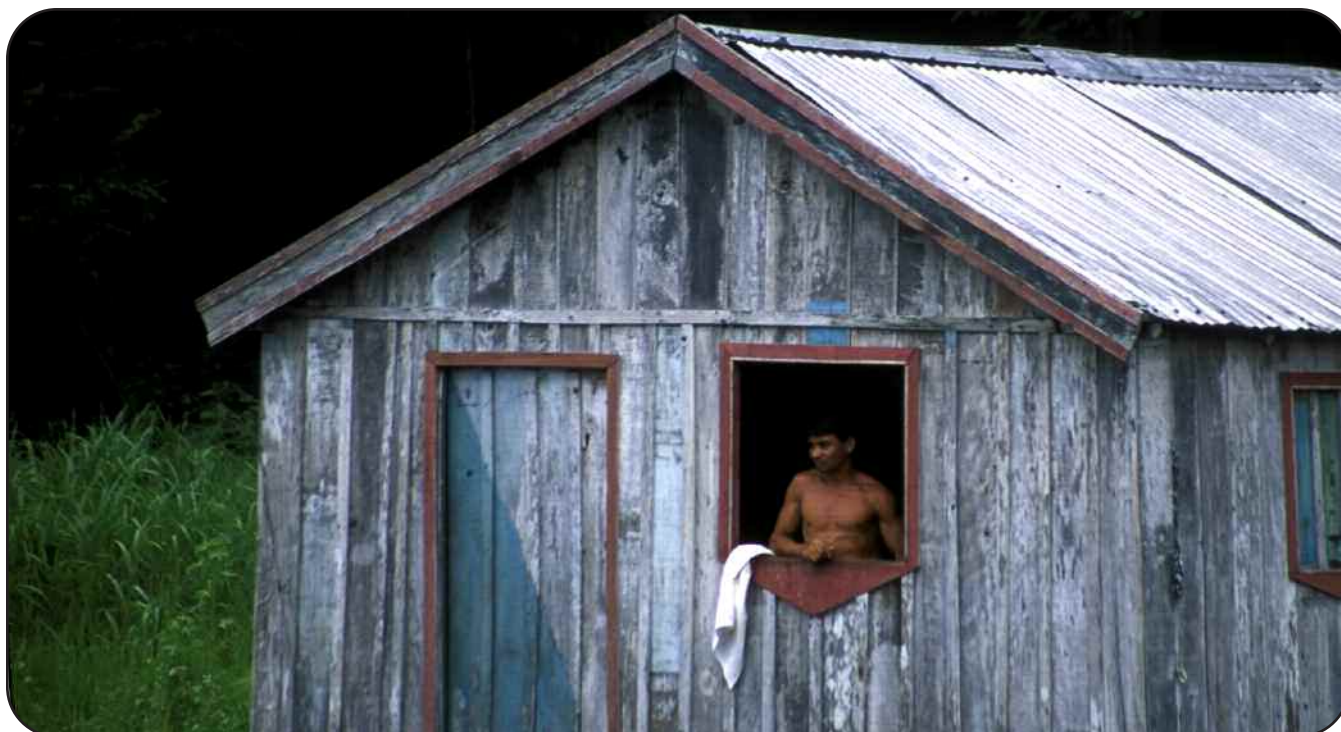


dates education, nutrition, gas, and food card programs. Participation in the program is contingent on the fulfillment of parental responsibilities including attainment of vaccinations, adequate levels of nutrition, and school attendance.

Senator Suplicy explained, however, that *Bolsa Familia* is actually only a preliminary phase of the CBI initiative, which will be gradually implemented over the next few years. He acknowledged criticism of *Bolsa Familia* by the Brazilian press, which has lambasted the program for its bureaucratic inefficiency and failure to reach many in need. Suplicy noted that a major portion of Brazil's population participates in an informal economy, distorting income declarations and clouding eligibility determination.

The Citizens' Basic Income initiative aims to rectify these problems by attacking the issue from a different direction. Based on the premise of economic freedom and the assertion that every citizen has the right to participate in the wealth of a nation, the program will provide a regular, universal and unconditional stipend for every Brazilian citizen. The universality of its application will eliminate the monumental challenge of attempting to determine eligibility through earning capacities, whilst removing the indignity and disincentive for employment associated with contingency based welfare programs.

Since Brazilian President Luis Inácio Lula da Silva signed the measure into law, Senator Suplicy has continued to champion the application of CBI principles beyond the borders of Brazil. Referencing the origins of the concept as far back as Confucius, Suplicy emphasized the feasibility of modern implementation, citing



House on the outskirts of Manaus, Amazonas

related successes such as the Child Trust Fund in the United Kingdom and the Alaska Permanent Fund in the United States. In Suplicy's view, the Citizen's Basic Income concept should be considered not only as a tool for the amelioration of poverty and improvement of social justice, but also as an essential element for the resolution of deeply rooted problems such as armed conflict throughout the world.



*Thinking Brazil Update* is an electronic publication of *Brazil @ the Wilson Center*. This project is founded on the conviction that Brazil and the U.S.-Brazilian relationship deserve to receive better attention in Washington. Brazil's population, size, and economy, as well as its unique position as a regional leader and global player fully justify this interest. In response, and in keeping with the Center's mission to bridge scholarly research and public action, *Brazil @ the Wilson Center* sponsors activities designed to create a "presence" for Brazil in Washington that captures the attention of the policymaking community. *Brazil @ the Wilson Center* is grateful for the support of ADM, and The GE Foundation.

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