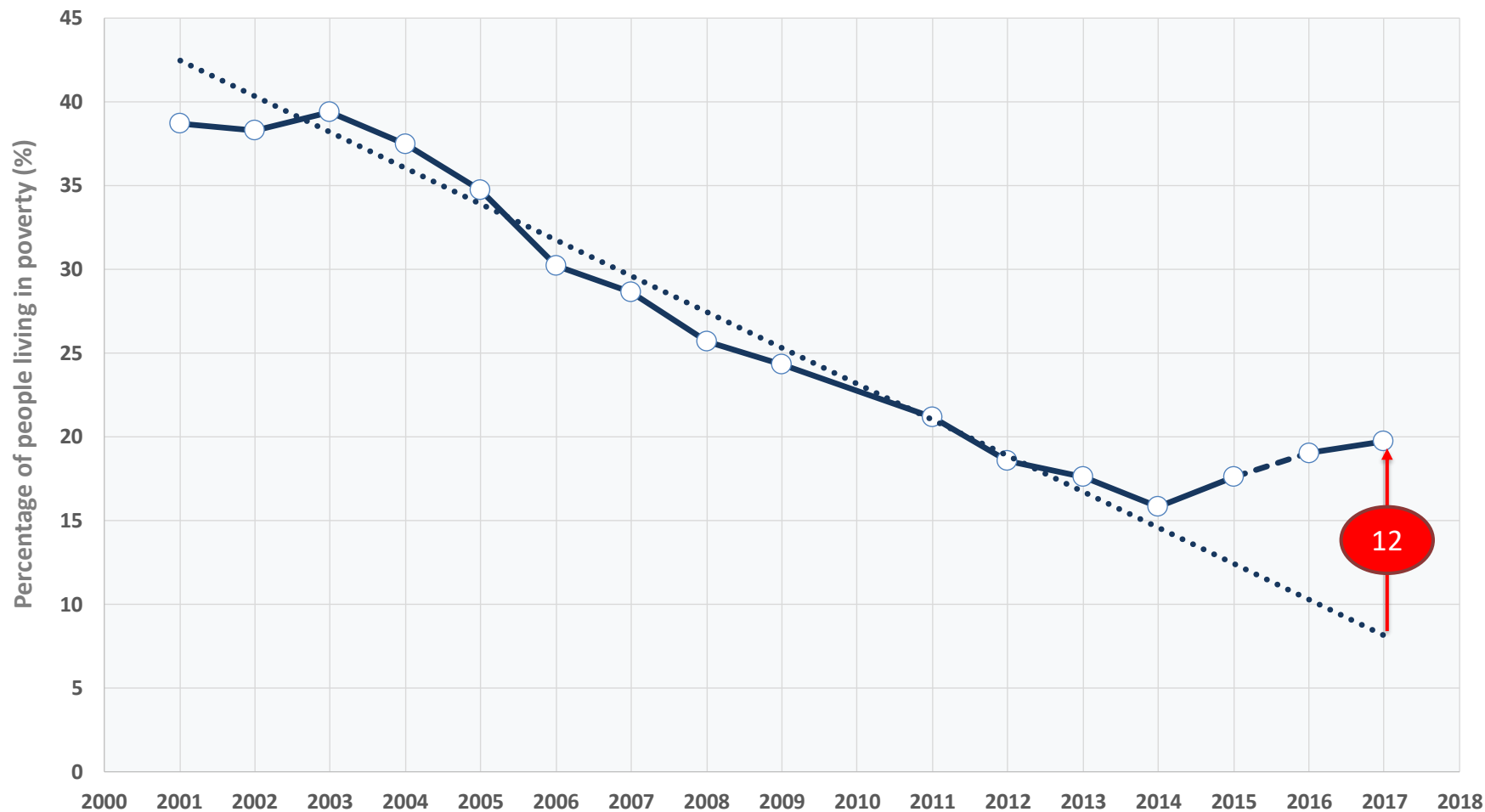


TOWARD SUSTAINABLE REDUCTIONS IN POVERTY: *CAN THE WORLD LEARN ANYTHING FROM BRAZIL*

Ricardo Paes de Barros (IAS/Insper), Diana Coutinho (ENAP),
Samuel Franco (OPE Sociais), Beatriz Garcia (Insper/IAS), Rosane Mendonça (UFF),
Laura Müller Machado (IAS/Insper), Camila Soares (IAS/Insper)

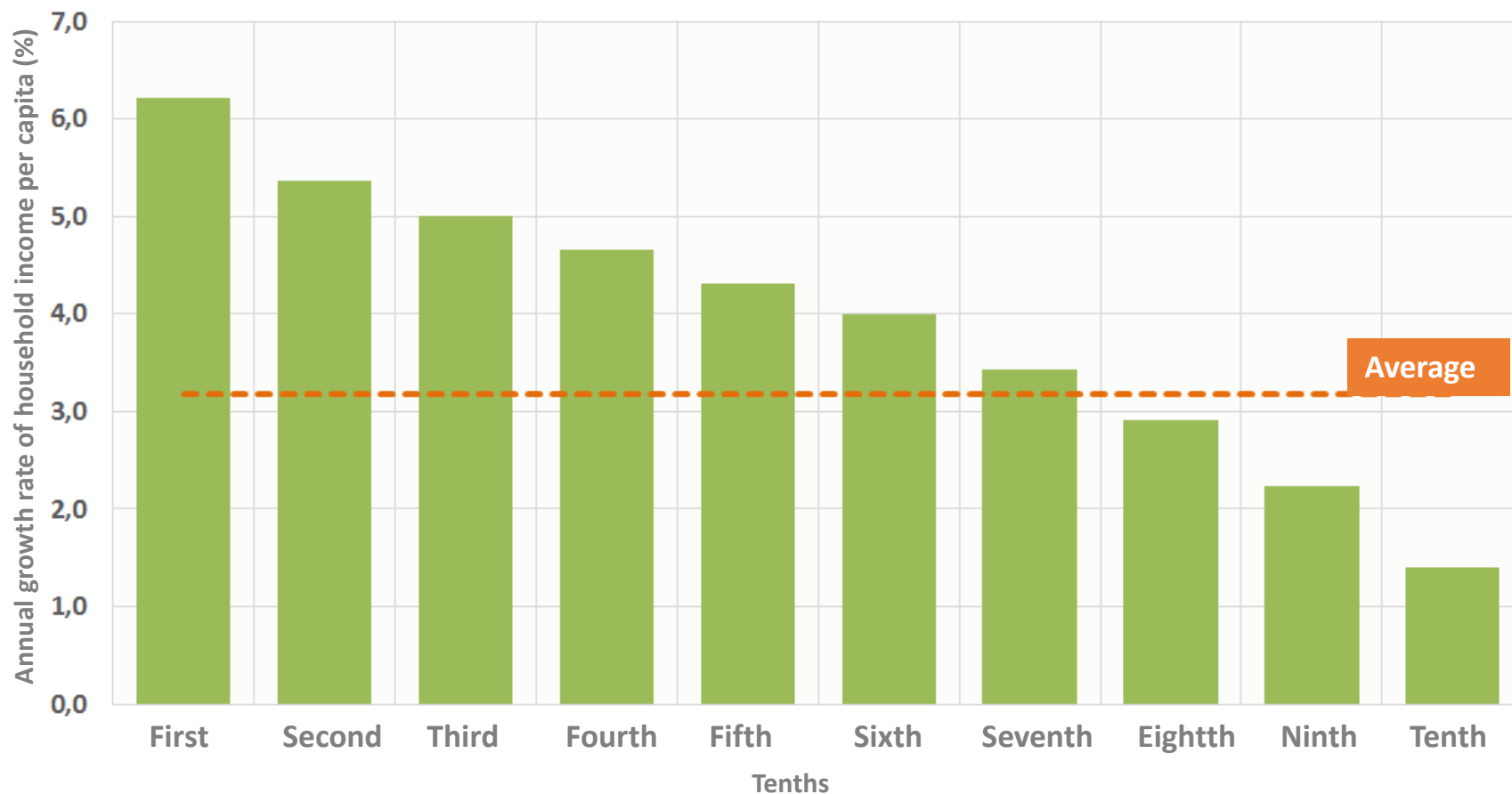
Evolution of poverty: Brazil, 2001-2017



Source: IBGE, Continuous National Household Sample Survey (PNAD-C) and National Household Sample Survey (PNAD).

In Brazil, since the turn of the millennium, the income of the poorest 10% has grown every year at a rate four times higher than that of the richest 10%.

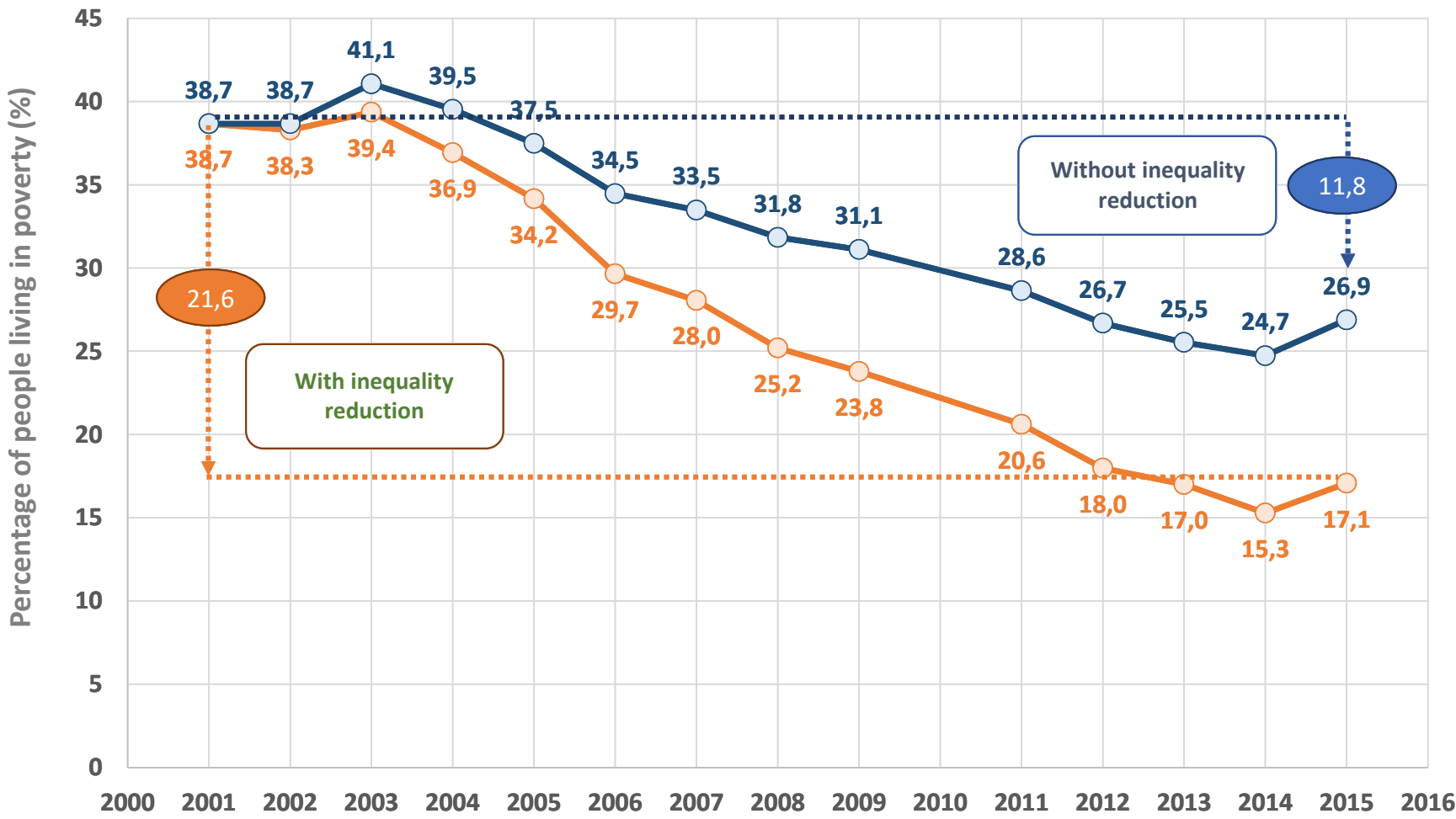
Annual growth rate of household income per capita by tenths of the distribution: Brazil, 2001-2015



Source: IBGE, National Household Sample Survey (PNAD).

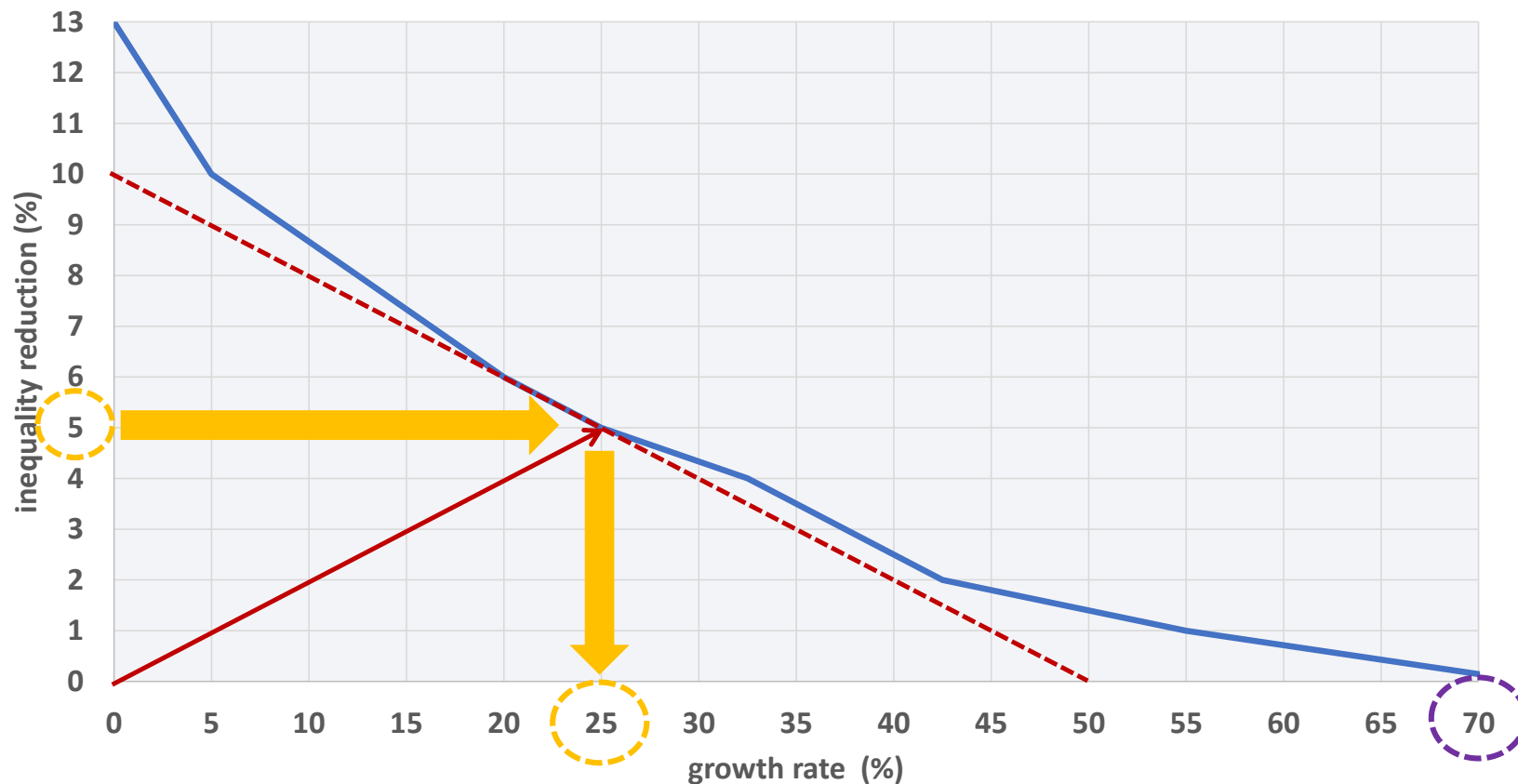
Almost ½ of the reduction in poverty would not have occurred if the inequality had not declined

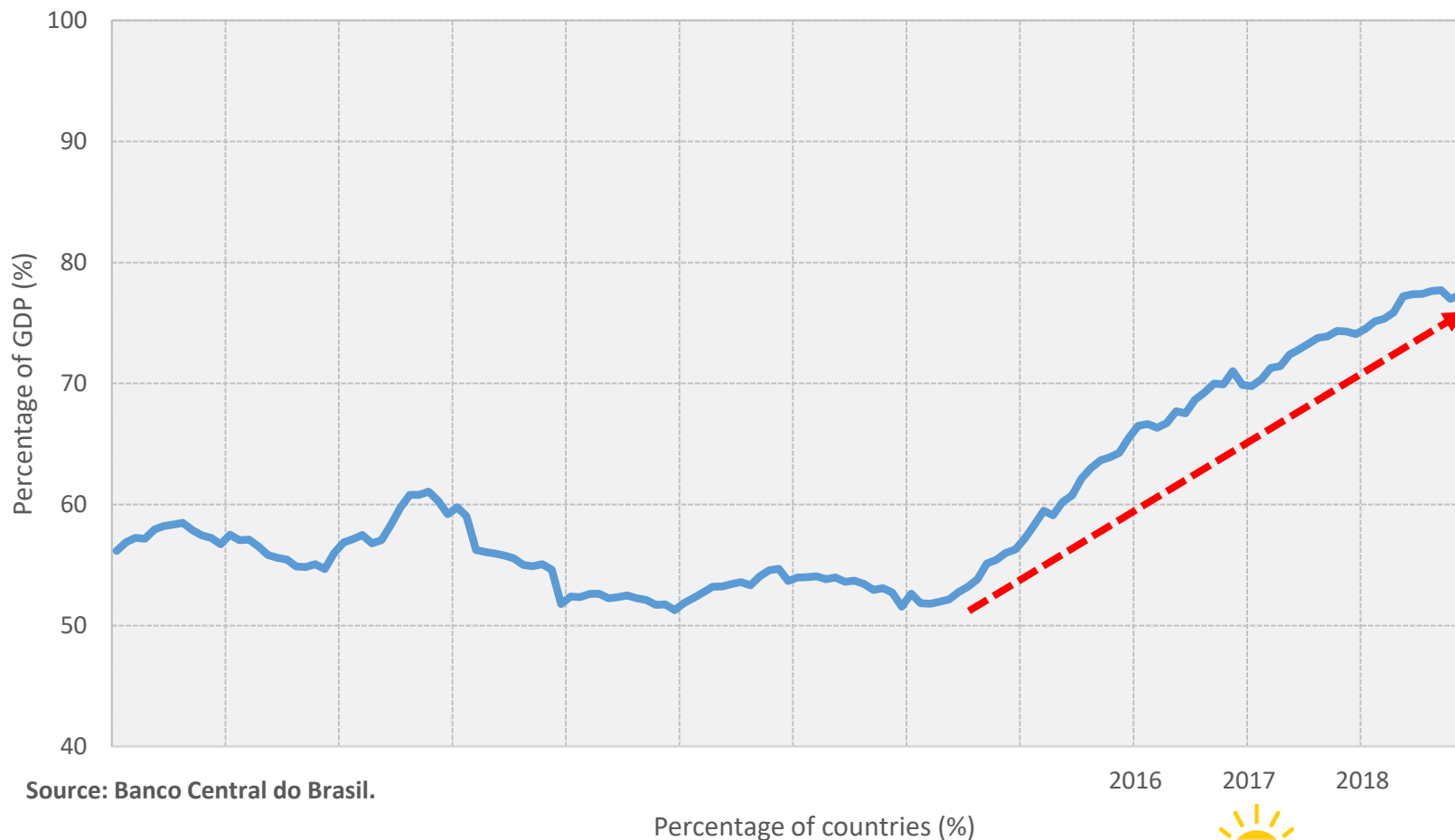
Evolution of the poverty in Brazil: 2001-2015



Source: IBGE, National Household Sample Survey (PNAD).

Iso-poverty: combinations of growth and inequality reductions leading to a reduction in poverty to one-half



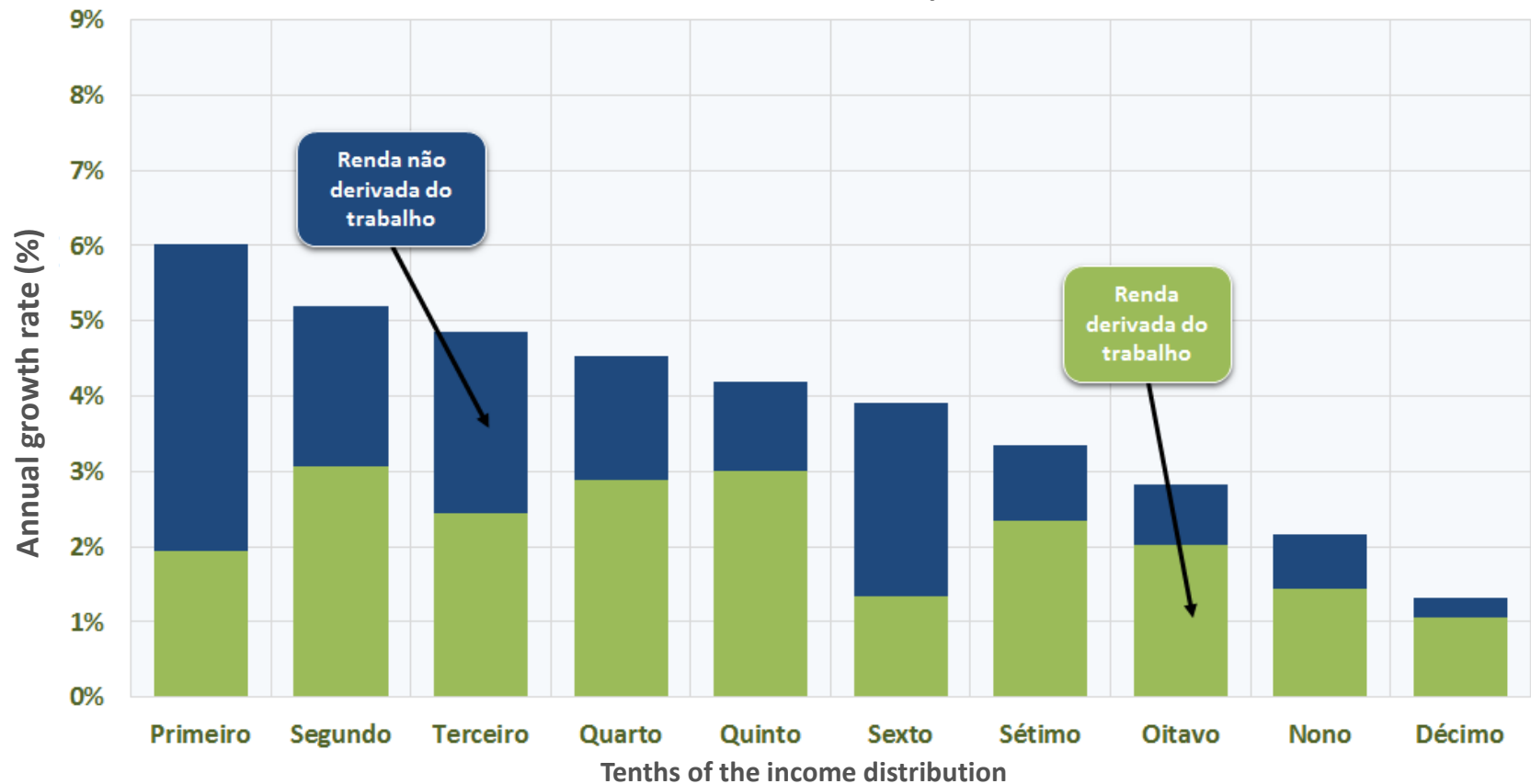
Evolution of general government gross debt as a
percentage of GDP

Source: Banco Central do Brasil.

2016 2017 2018

Percentage of countries (%)

Average annual growth rate in labor and nonlabor per capita income by tenths of the distribution: Brazil, 2001-2015



Source: IBGE, National Household Sample Survey (PNAD).

Proximate determinants of the growth in family per capita income of the poorest 10%: Brazil

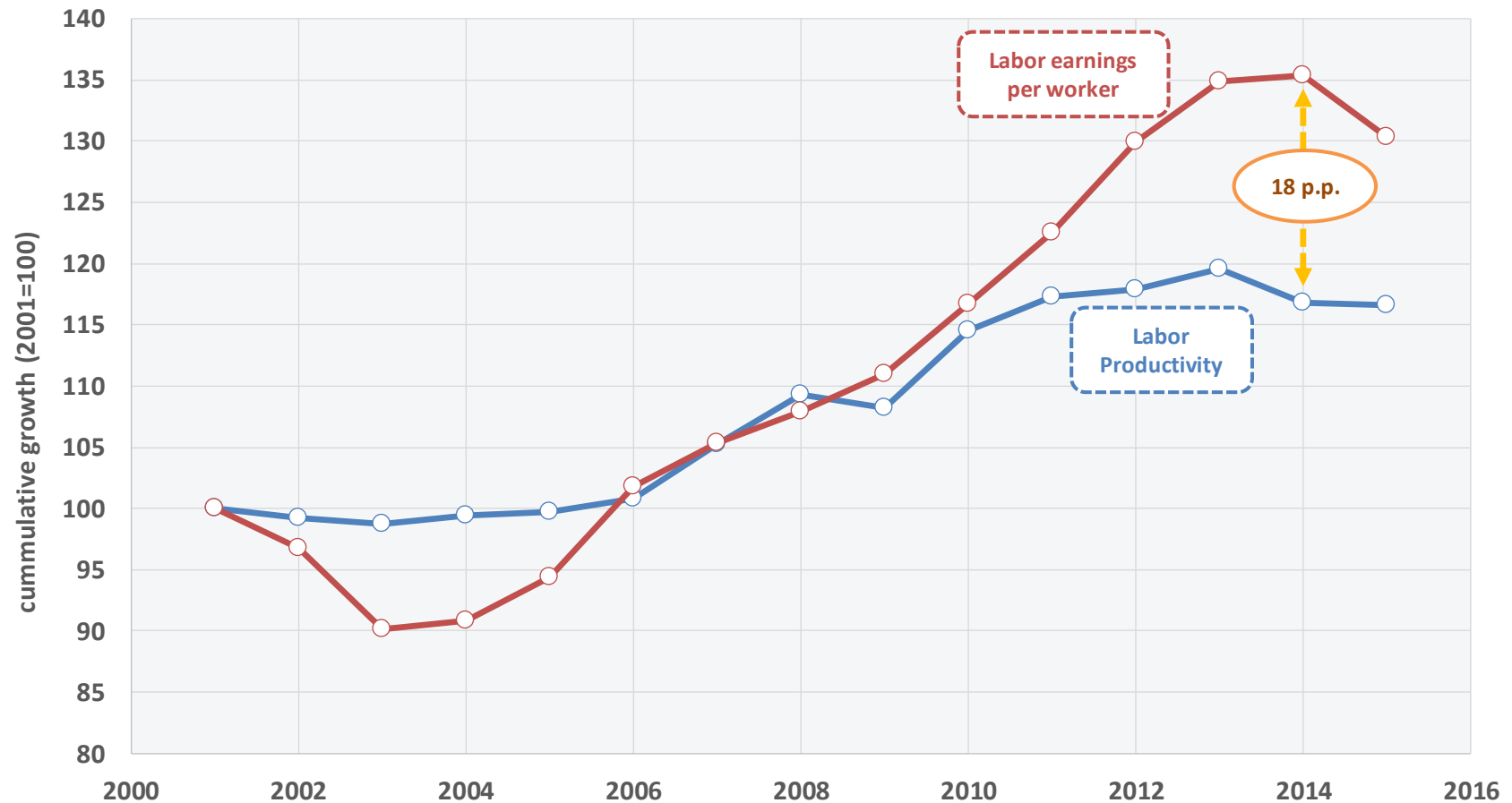
Determinants	2001	2015	Annual growth rate	Contribution
Family per capita income (R\$/month)	57	130	6,0%	100%
Percentage of adults (%)	51%	60%	1,1%	13%
Nonlabor income per adult (R\$/month)	26	94	9,6%	56%
Occupation rate (%)	48%	40%	-1,3%	-12%
Labor income per occupied worker	178	308	4,0%	43%

Source: OPE Socias and Insper based on Pesquisa Nacional por Amostra de Domicílios (PNAD).

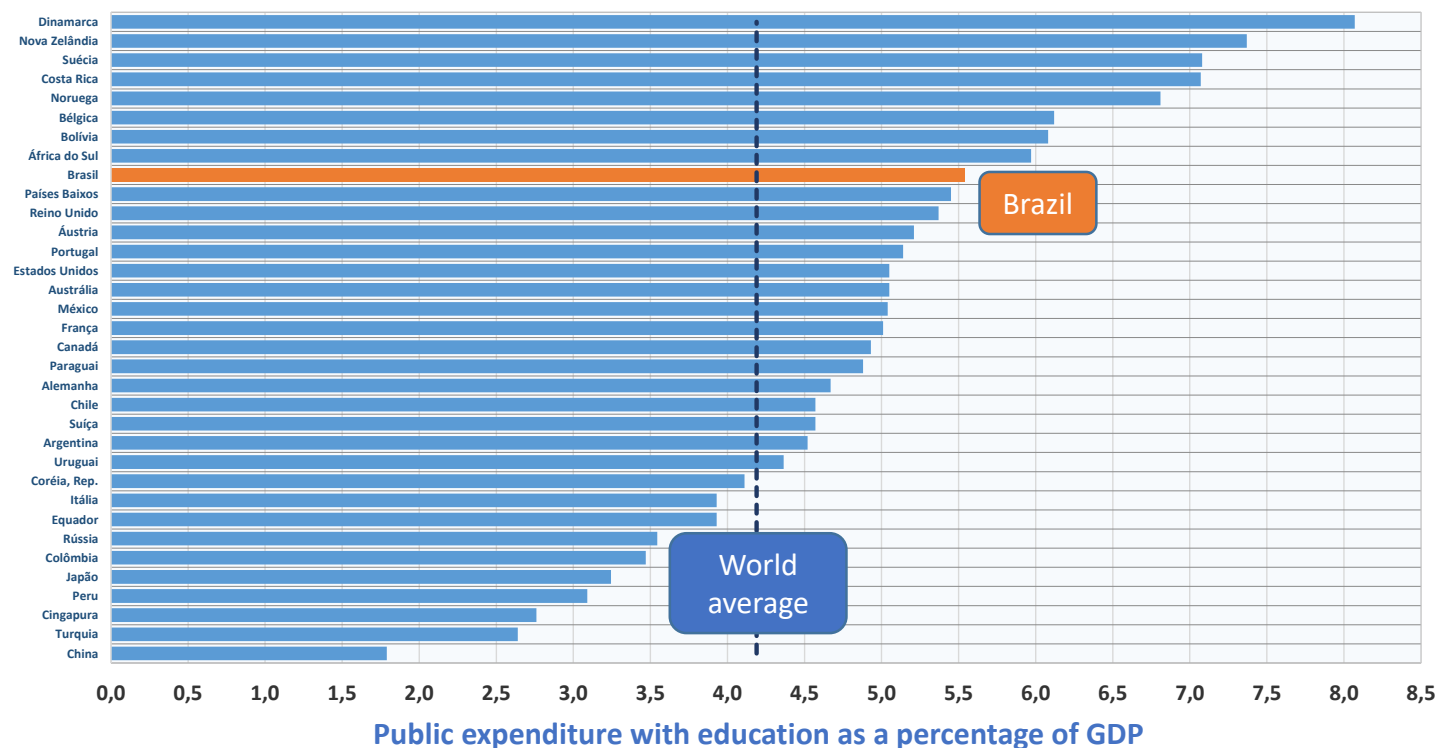
Proximate determinants of the growth in family per capita income of the poorest 20%: Brazil

Determinants	2001	2015	Annual growth rate	Contribution
Family per capita income (R\$/month)	98	206	5,4%	100%
Percentage of adults (%)	54%	63%	1,0%	14%
Nonlabor income per adult (R\$/month)	40	107	7,3%	39%
Occupation rate (%)	52%	44%	-1,2%	-12%
Labor income per occupied worker	272	507	4,5%	60%

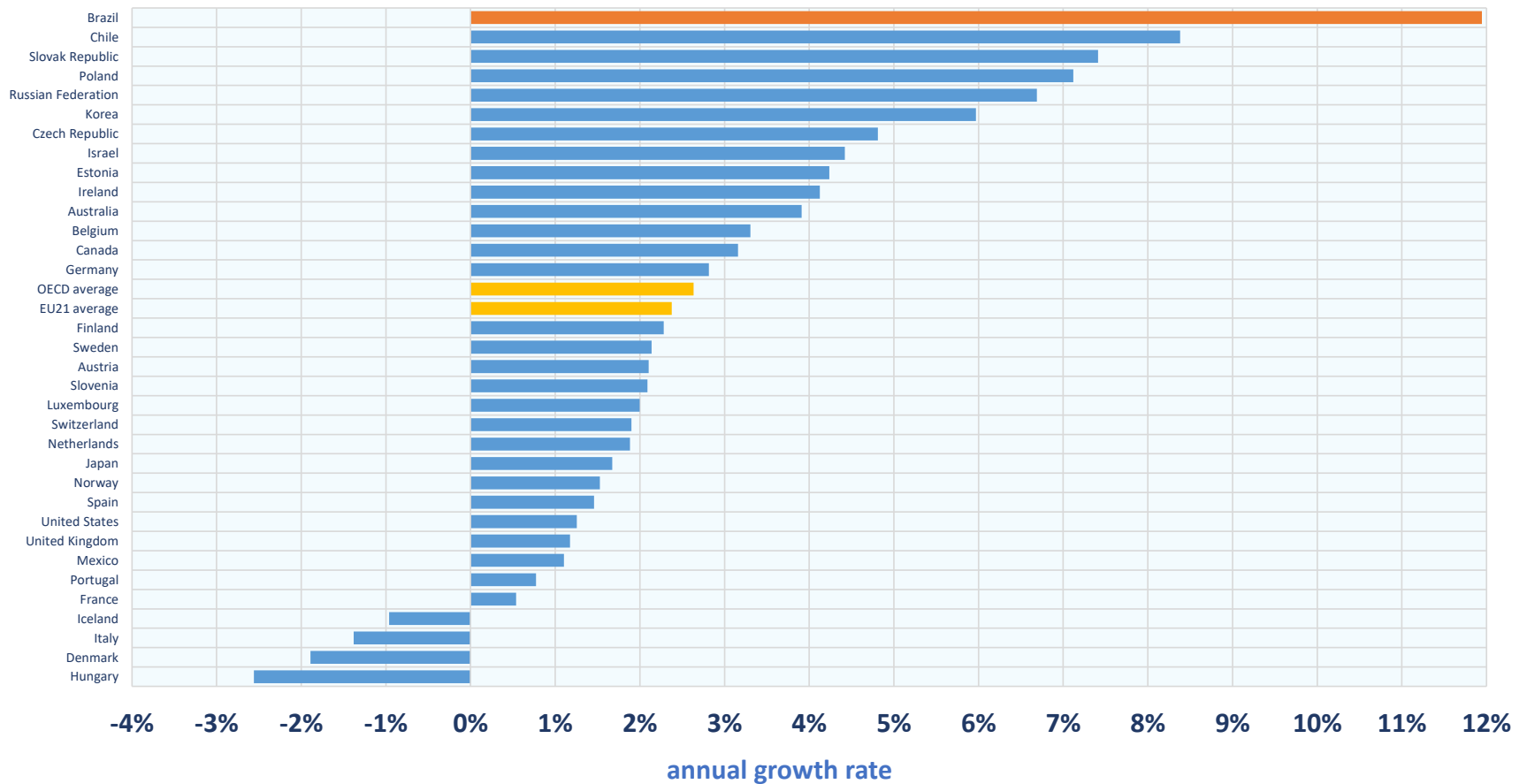
Source: OPE Socias and Insper based on Pesquisa Nacional por Amostra de Domicílios (PNAD).

Evolution of labor productivity and labor income: Brazil,
2001-2015

Public expenditure with education as a percentage of GDP (national income): 2014

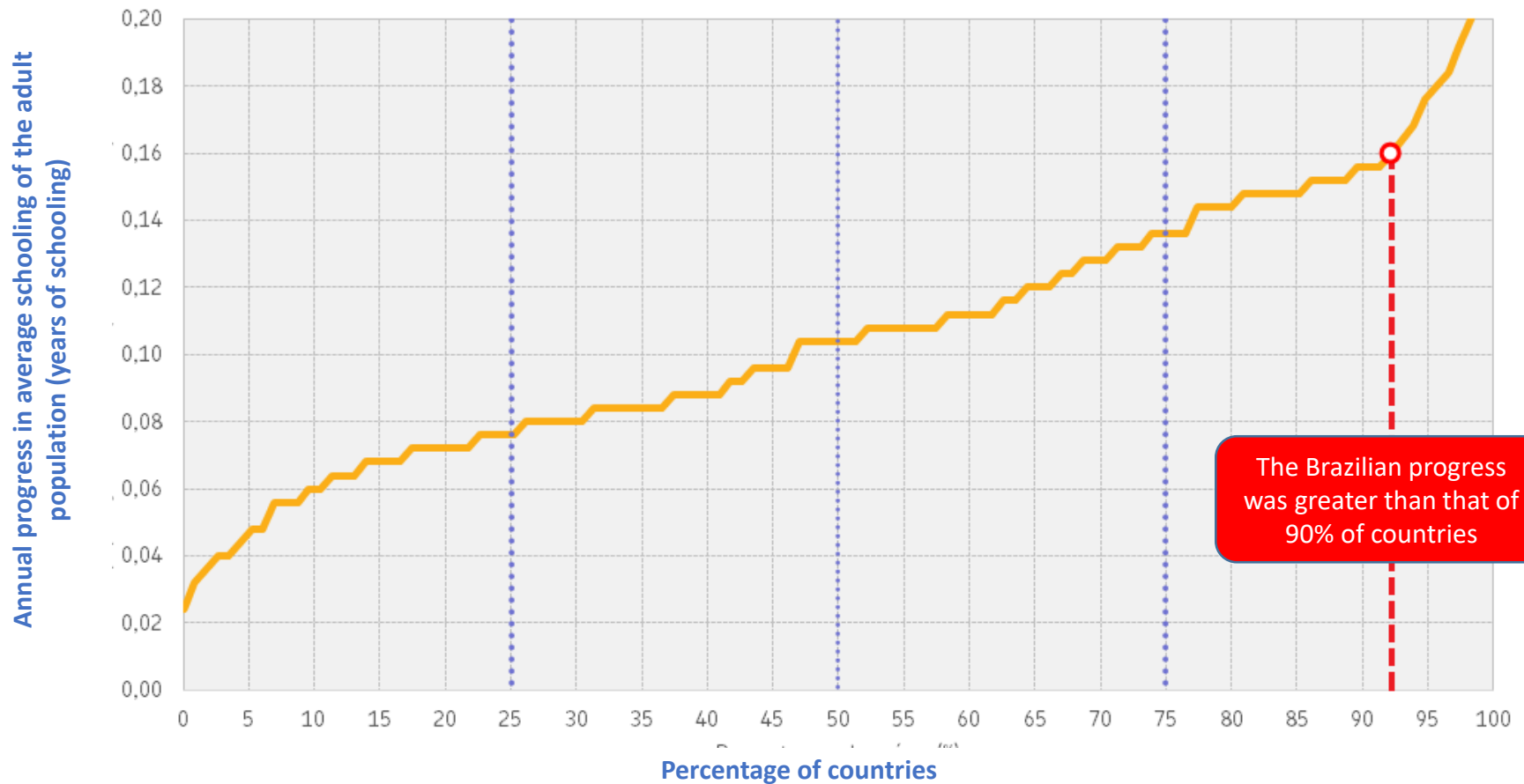


Annual growth rate of the public expenditure with education: 2005 to 2011

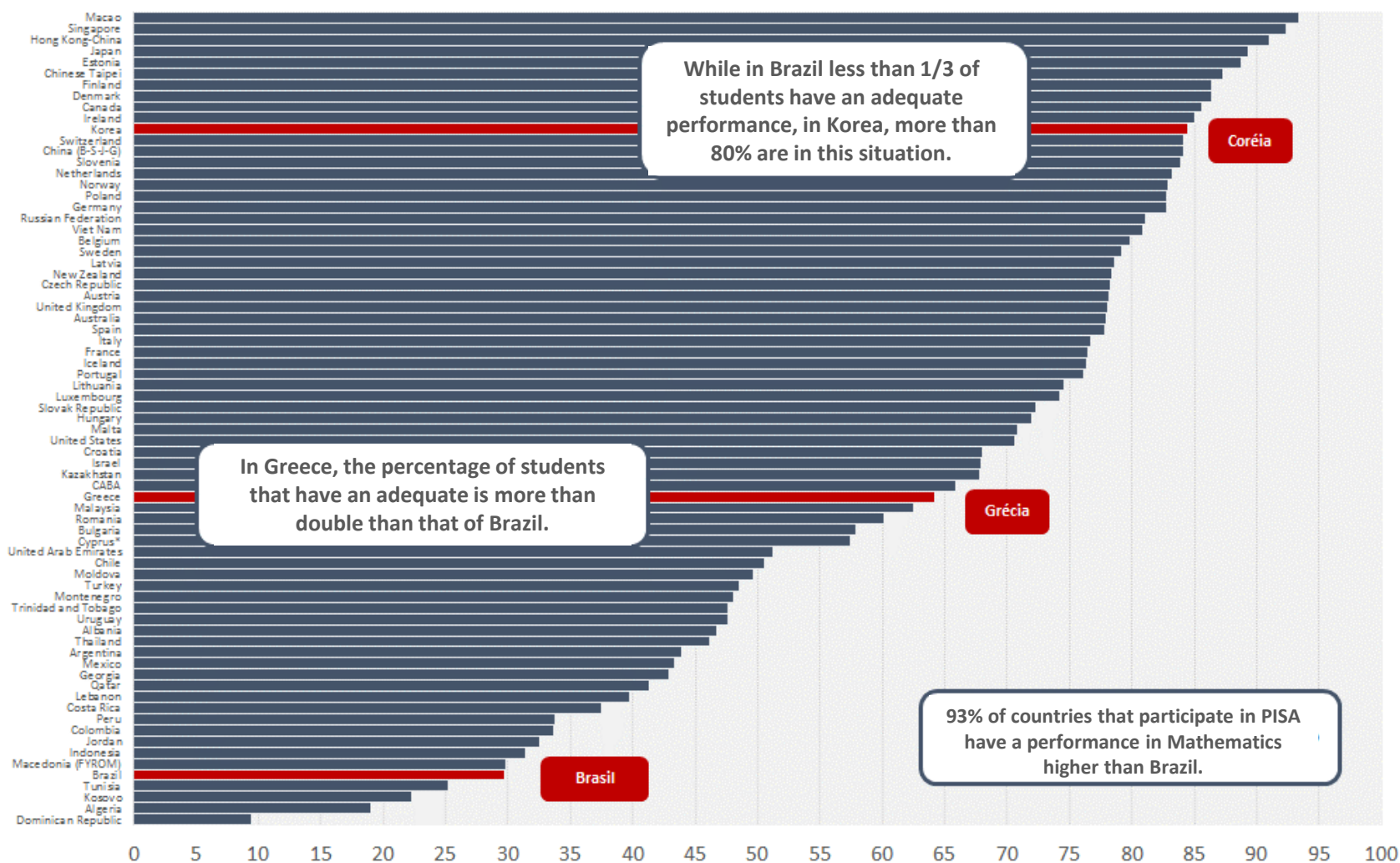


Over the past 25 years, Brazil went through a sizeable education expansion. More than 90% of countries had a smaller educational progress over this period..

Annual progress in average schooling of the adult population over the past 25 years by country



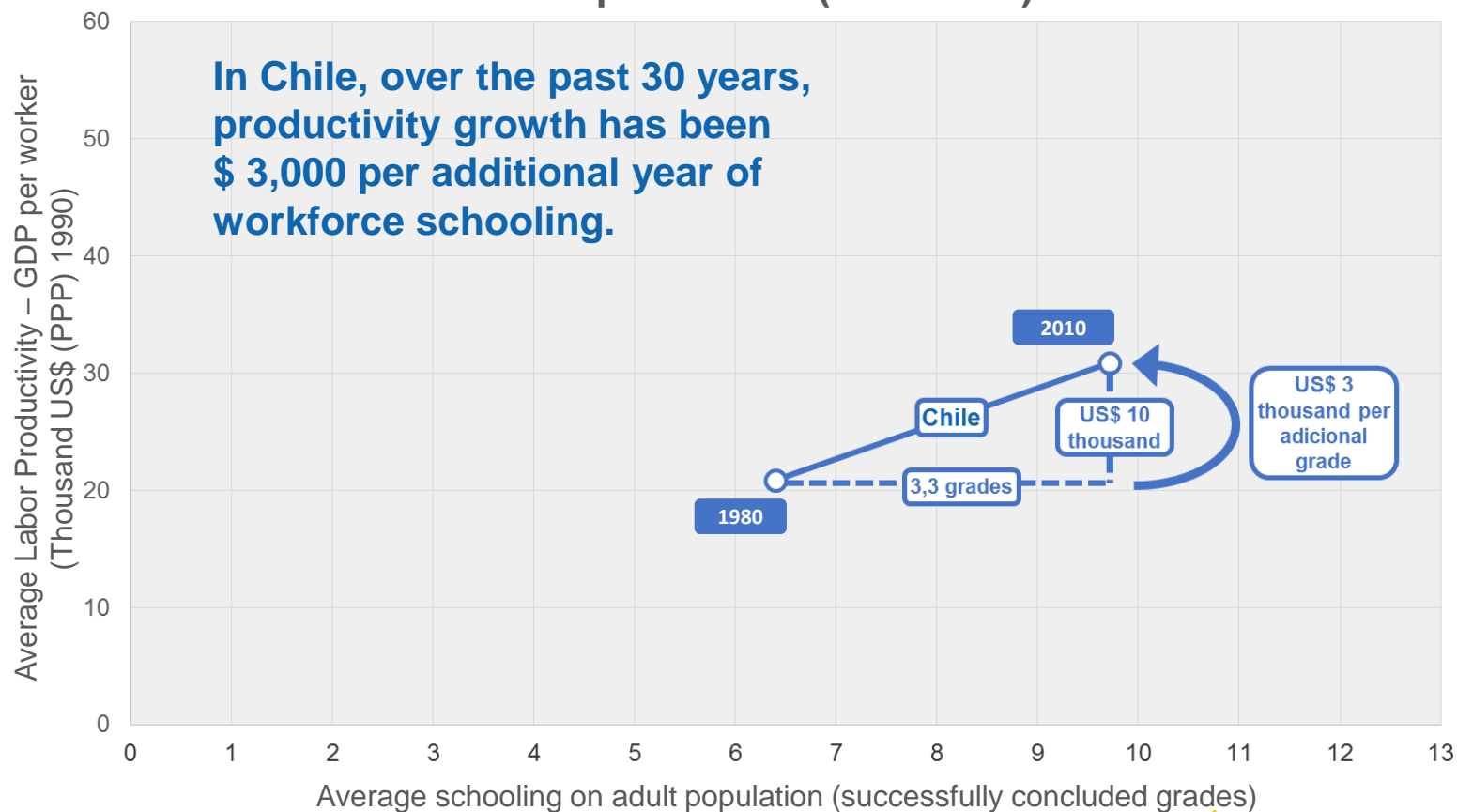
Performance in Mathematics: Percentage of Students with Adequate Performance *, PISA 2015



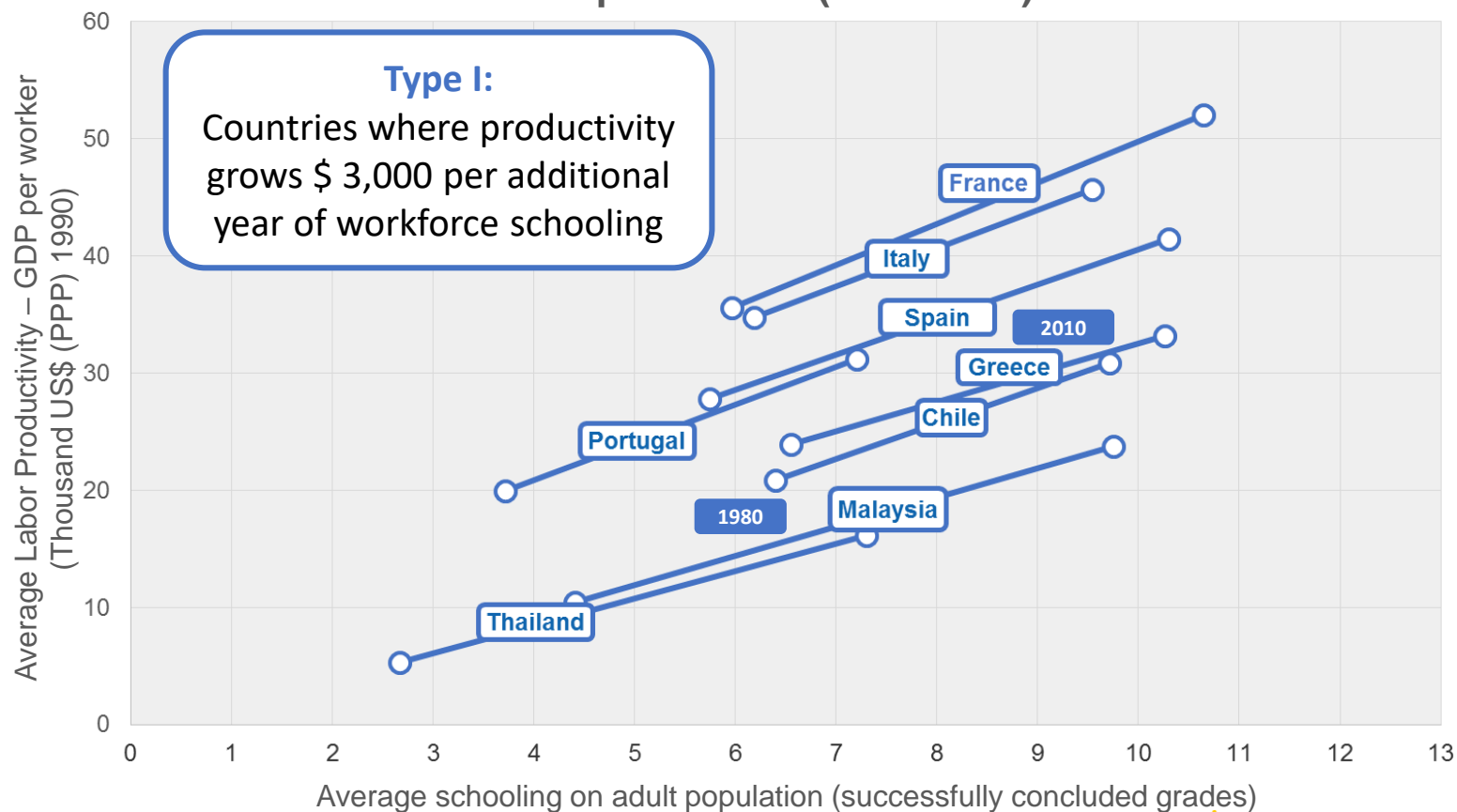
*Note: proficiency above Level 2 (more than 482 points) was considered adequate performance.

Source: OECD, PISA.

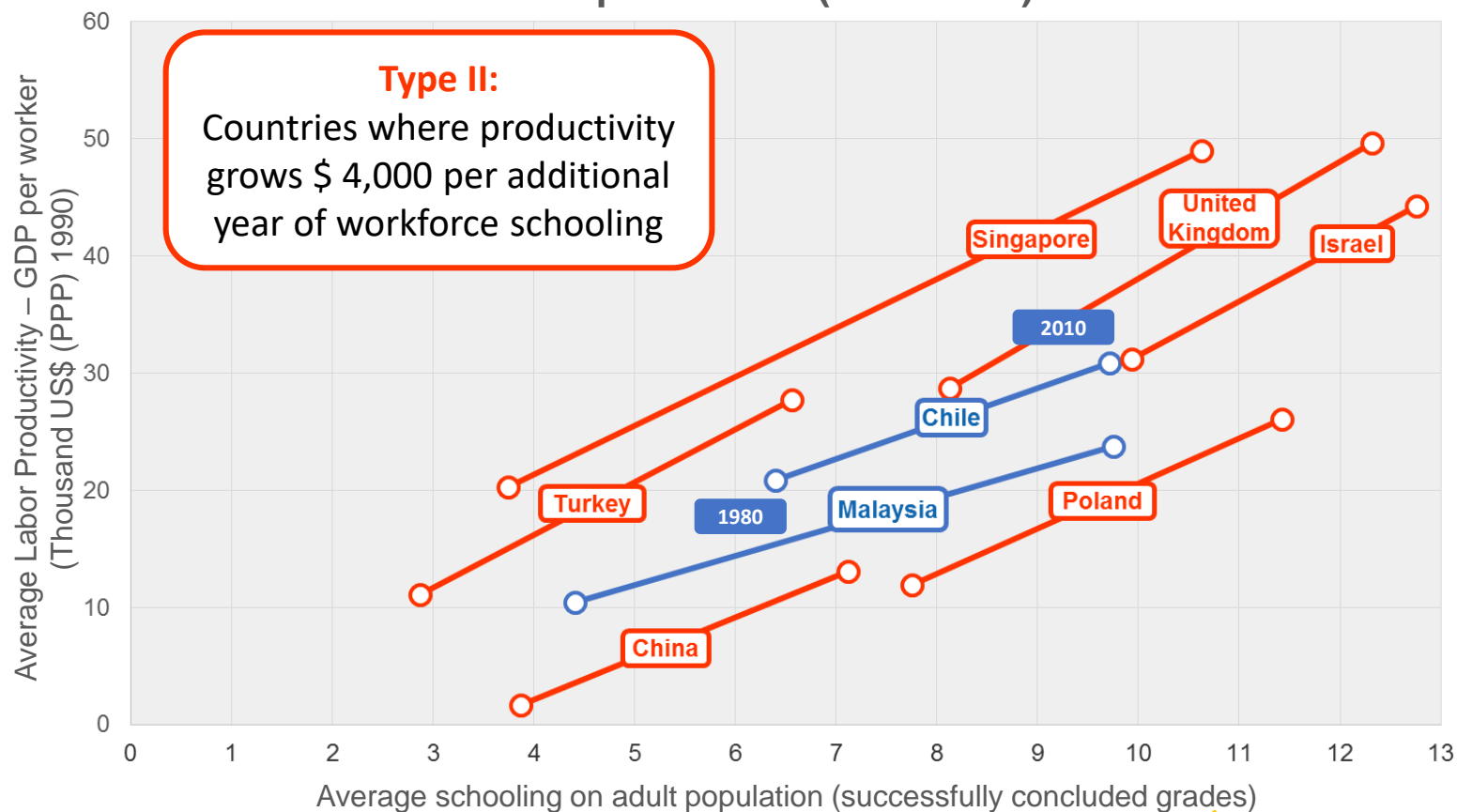
Evolution of schooling in adult population and labor production (1980-2010)



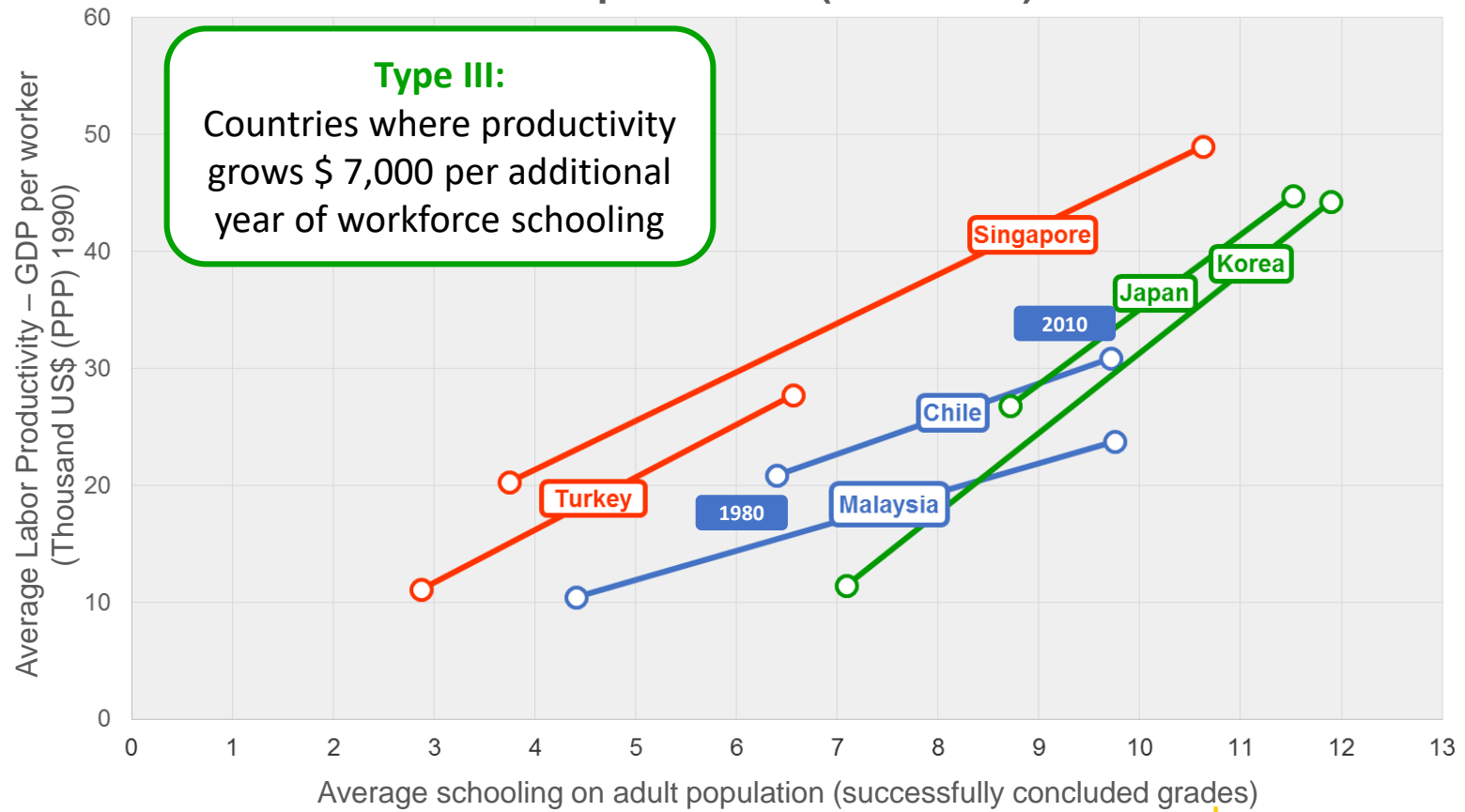
Evolution of schooling in adult population and labor production (1980-2010)



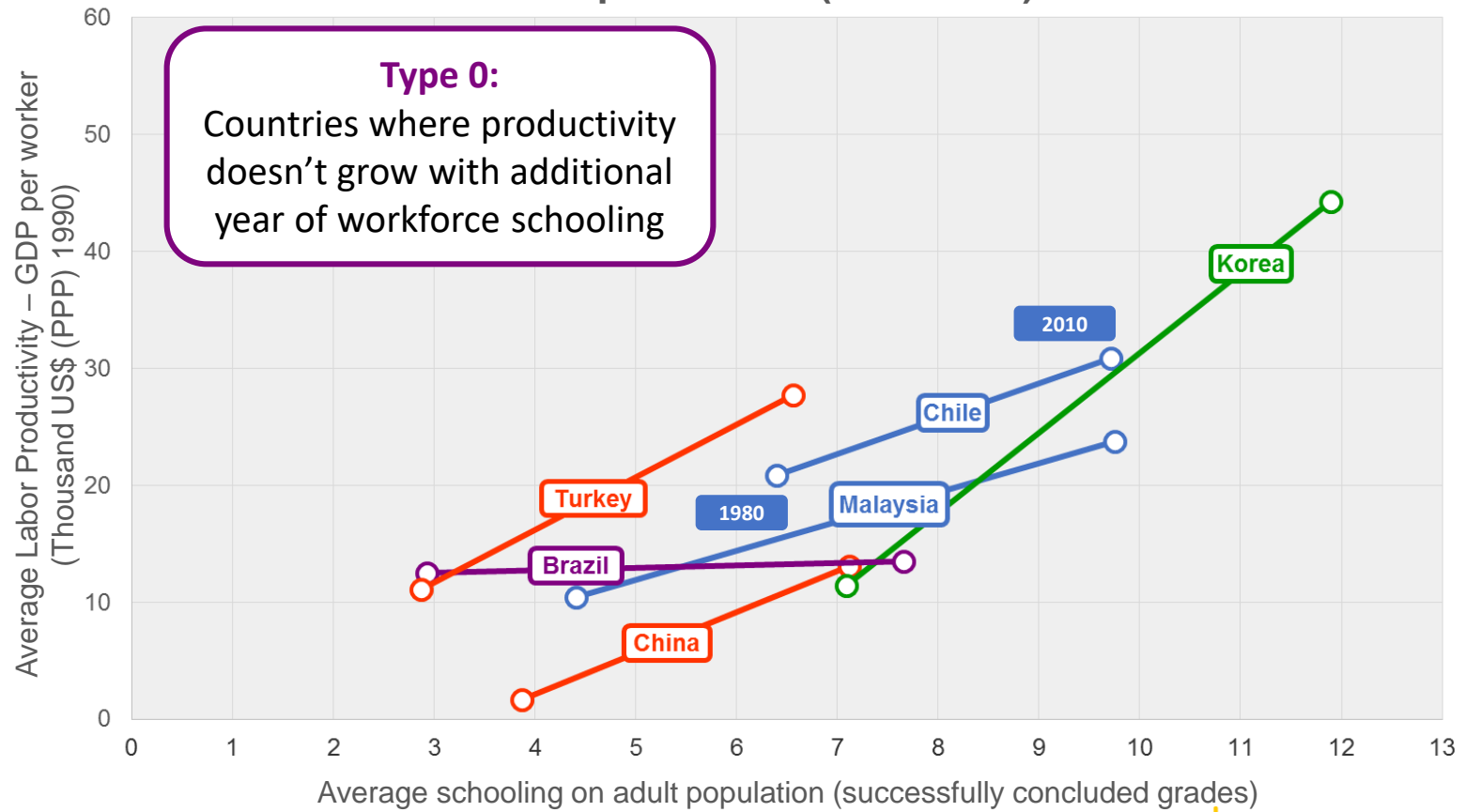
Evolution of schooling in adult population and labor production (1980-2010)



Evolution of schooling in adult population and labor production (1980-2010)

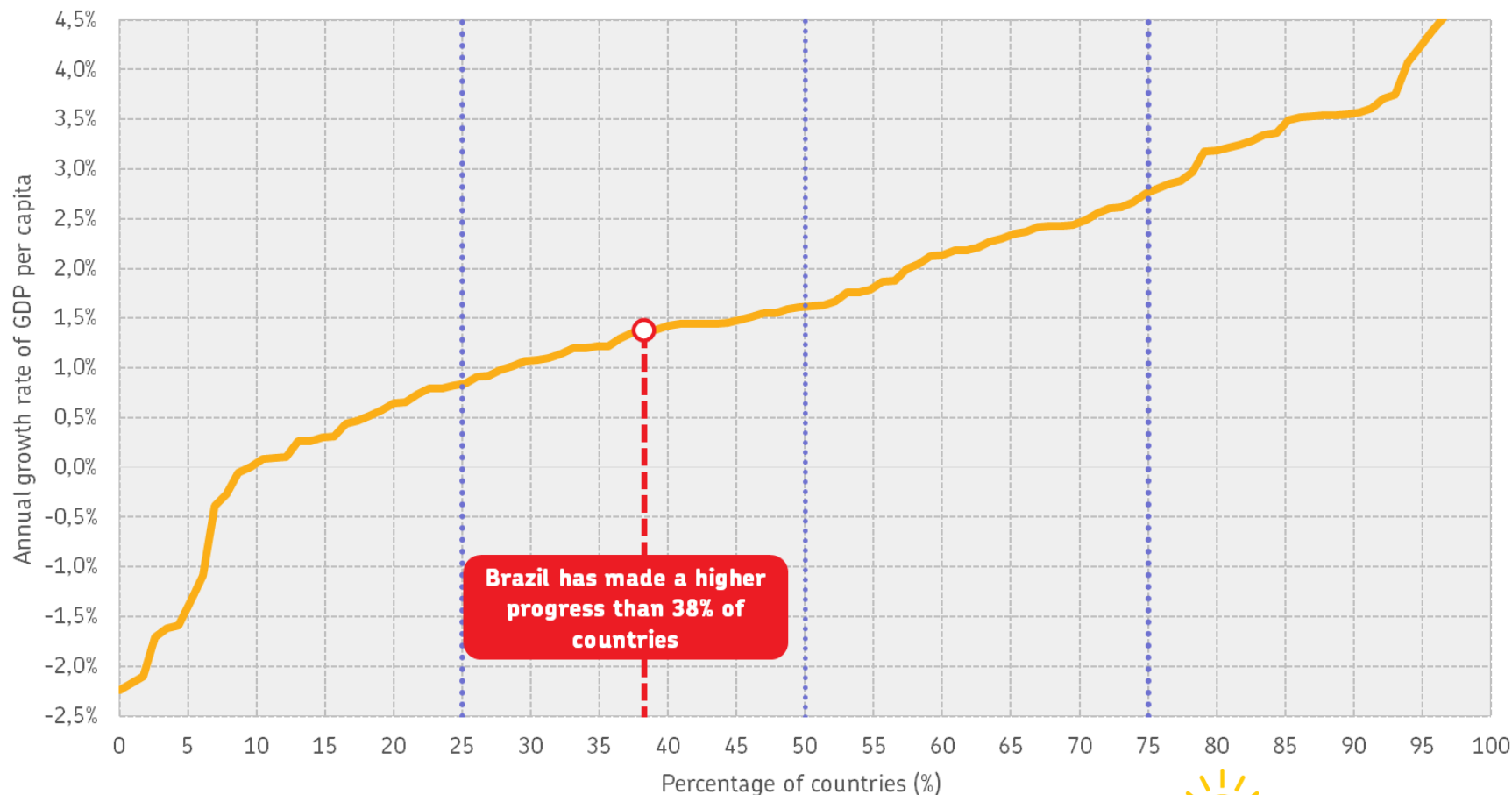


Evolution of schooling in adult population and labor production (1980-2010)



Over the last 25 years, Brazilian growth has been slow. Less than 40% of the countries had lower economic growth in this period than Brazil.

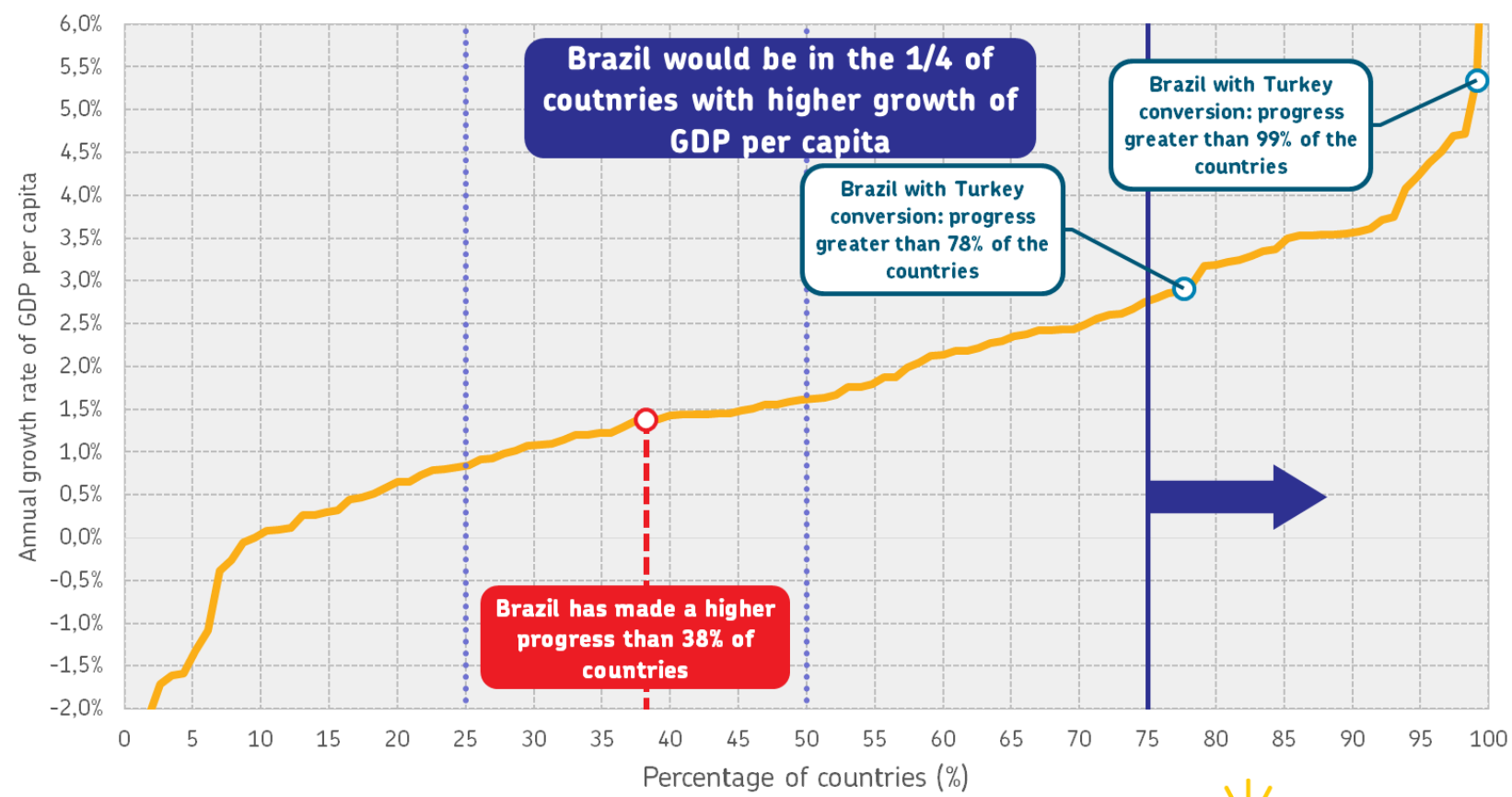
Annual growth rate of GDP per capita over the last 25 years by country



Fonte: Human Development Data (<http://hdr.undp.org/en/data>).

If Brazil had the same ability to translate education into productivity as either Turkey or Korea did, Brazilian economic growth over the last 25 years would have been among the world top 25%.

Annual growth rate of GDP per capita over the last 25 years by country



Fonte: Human Development Data (<http://hdr.undp.org/en/data>).

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