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Social security and food security Successful policy experiences in Brazil

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Foreword

Decent jobs and social protection are being increasingly recognized as effective instruments in addressing the issue of food insecurity. With close to one billion people suffering from chronic hunger worldwide, as well as the current trend of increasing food prices – further exacerbating income inequalities and increasing poverty, hunger, social unrest and political instability – the need to act is pressing.

The Social Protection Floor Initiative was adopted by the United Nations System Chief Executives Board in April 2009. In June 2011, the 100th International Labour Conference – the governments, employers and workers of the ILO's 183 member States – recognized the role and need for social security to reduce and prevent poverty and inequality, to contribute to mitigating the economic and social impact of economic downturns, enhance resilience and achieve faster recovery towards inclusive growth. The Conference adopted strong conclusions regarding the extension of social security to all, through nationally defined social protection floors within progressively comprehensive social security systems. In June 2012, the 101st International Labour Conference will discuss the adoption of a possible Recommendation which would provide helpful guidance to countries in building their social protection floors.

National social protection floors aim to ensure at a minimum that all in need have access to essential health care and basic income security which together secure effective access to goods and services. Implementing national social protection floors as part of social protection systems can have a direct effect on both food production and consumption. Evidence from developing countries has shown that regular cash transfers are mostly spent on food and investment in livestock or agriculture. Increased consumption also supports agricultural demand for local services, which has a direct positive effect on agricultural production.

On 6 December 2011 as part of the 2011 Global South–South Development (GSSD) Expo at FAO headquarters in Rome, the ILO hosted a Solution Exchange Forum on Social Protection and Food Security. This paper was written by Dr. Guilherme Delgado¹ as a background paper for his presentation at the Forum. Dr. Delgado, who has worked for the Institute for Applied Economic Research (IPEA) in Brazil for 30 years, discussed two successful Brazilian schemes illustrating the virtuous connection between social security and food security based on important and empirically verifiable outcomes. Brazil's experience is particularly relevant for other countries in the South facing the challenge of extending coverage to a large rural population, including non-wage labour relations such as small farmers working in their family business, while also providing additional protection to women.

Through this publication the ILO contributes to facilitate South–South exchanges on social protection².

¹ This publication is a translated and edited version of the original Portuguese version.

² For a similar initiative see the joint ILO-UNDP SU/SSC publication *Sharing innovative experiences: Successful social protection floor experiences* (Geneva, 2011), available in French and English on the internet platform on the Global Extension of Social Security (www.social-protection.org). It compiles social protection floor success stories written by national experts from 15 countries of the “Global South”.

Acronyms and abbreviations

AEPS	Social Security Statistical Yearbook (Anuário Estatístico da Previdência Social)
CONAB	National Supply Company (Companhia Nacional de Abastecimento)
FAO	Food and Agriculture Organization of the United Nations
FUNRURAL	Fund for Social Security and Assistance to Rural Workers (Fundo de Assistência ao Trabalhador Rural e Programa de Assistência ao trabalhador Rural)
GDP	gross domestic product
IBGE	Brazilian Institute for Geography and Statistics (Instituto Brasileiro de Geografia e Estatística)
ILO	International Labour Organization
IPEA	Institute for Applied Economic Research (Instituto de Pesquisa Econômica Aplicada)
INSS	National Social Insurance Institute (Instituto Nacional do Seguro Social)
MDS	Ministry of Social Development and Fight Against Hunger (Ministério do Desenvolvimento Social)
PAA	Family Agriculture Food Acquisition Programme (Programa de Aquisição de Alimentos da Agricultura Familiar)
PNAD	Pesquisa Nacional por Amostra de Domicílios
R\$	Brazilian Real

Introduction

This paper has two main analytical objectives:

1. A first conceptual part analysing the reciprocal relation between the concepts of social security and food security as applied in public policy, with particular emphasis on the social protection floor.
2. A second approach analysing relevant and effectively implemented experiences of Brazilian public policy which have established a virtuous connection between these two concepts and have achieved important and empirically verifiable outcomes.

The paper is structured as follows:

- Section 1 addresses the concepts of social security and food and nutritional security that the ILO, in the first case, and the Food and Agriculture Organization (FAO), in the second, have been developing in general terms through their Conventions, summits and other important initiatives that promote interaction between States in the establishment of their public social protection policies.
- Section 2 presents two experiences from Brazil that are considered to have been successful in establishing the connection between social security and food security, and vice-versa. The first is the institutionalization of a permanent sub-system of rural insurance (*Previdência Social Rural*) under the 1988 Constitution, with semi-contributory rules, a benefit floor linked to the minimum wage, universal access for rural workers and positive gender action. The second – a policy that has been continuously implemented by three successive governments – is the initiative to promote family agriculture, linked to attending to the nutritional needs of social groups vulnerable to nutritional risk. This initiative, the Family Agriculture Food Acquisition Programme (*Programa de Aquisição de Alimentos da Agricultura Familiar – PAA*), has been implemented for nearly a decade and is widely accepted in the public sphere.

1. Conceptual framework

When it comes to social policy action carried out by States, the term “social security” is understood in various ways. This conceptual heterogeneity reflects the diversity in which ILO Conventions and Recommendations on social security have been adopted at national level in recent times, especially after World War II. The various typologies of “welfare state” built since then partially reflect this multiplicity of interpretations.

In 1952 the ILO’s Social Security (Minimum Standards) Convention (No. 102) established the minimum standards to be followed by ratifying countries. The contingencies covered are flexible enough to embrace different social and political situations at international level. Social security was defined in the *World Labour Report 2000* as:

Protection which society provides for its members through a series of public measures:

- to offset the absence or substantial reduction of income from work resulting from various contingencies (notably sickness, maternity, employment injury, unemployment, invalidity, old age and death of the breadwinner);
- to provide people with health care; and
- to provide benefits for families with children. (ILO, 2000, p. 29)

Social protection at work, understood as the guarantee against incapacitating social risks as expressed in this definition of social security, has evolved in the social legislation of national States, determining different profiles of the so-called “welfare state”. Even though there are strong typological differences in the social policies of these States, there is at least half a century of experience of institutional implementation of public social insurance, public health and social assistance systems, inspired by the key ideas of social security agreed at the ILO’s international forums such as the 100th International Labour Conference in 2011.

On the other hand, the term “food security” is also polysemic. Politically, when the FAO was created it originally reflected a concern for the sufficiency of food provision in countries and regions facing severe risk of collapse of agri-food production through devastation by war, natural disasters and other factors that cause outbreaks of starvation.

Over time, and more recently in the World Food Summits organized by FAO in 1996 and 2002, a more generic and flexible definition of food security has emerged, containing an implicit configuration of the need for public action in terms of supply:

"Ensuring everyone has conditions to access basic quality food and in sufficient quantity, permanently and without compromising access to other basic needs, based on healthy food habits. (Proposal by the Brazilian delegation, see Maluf, 2009)".

This concept is very similar to that in the Rome Declaration on World Food Security (World Food Summit, 1996) which reaffirms

"the right of everyone to have access to safe and nutritious food, consistent with the right to adequate food and the fundamental right of everyone to be free from hunger."

Human alimentation, along with the biological function of reproduction of human life, is also a cultural expression of people, nations, religions and ethnic groups; it cannot be reduced to a simple basket of goods sufficient to ensure reproduction of the human body. Hence, as with food security, there is currently a discussion on the concept of food sovereignty – still with no international consensus.

The two expressions “social security” and “food security” share the implicit concepts of “social contingencies” or social deprivation of basic human capacities. These risks and deprivations cause situations of collective food insecurity, starvation epidemics or endemic malnutrition. Public policies focused on preventing or assessing these risks require effective public action to address them. In the first case, social contingencies have as consequences both loss of income and loss of the ability to provide for the family’s basic needs. In the second case, not having access to sufficient and healthy food may result not only from conventional social security risks, but also other situations such as natural disasters or humanitarian crises, which may generate deprivation of food and nutrition in whole populations and territories, sentencing them to human misery. The FAO estimates that currently about one-seventh of the world population, or one billion people, experience serious food insecurity.

Conventions, Recommendations, summits and other international initiatives that have addressed public social security and food security policies in the post-World-War-II period, under the coordination of the ILO and FAO respectively, are usually oriented towards institutions and organizations within national States that deal with social policies and particularly labour and agricultural policies. In the first case, there is a clear urban and wage bias regarding policies that protect against social contingencies. In the second case, agricultural and food supply policies in most of the ratifying countries of these summits affect only indirectly, in terms of food provision, the requirements for food security. A universal guarantee of access to basic high-quality food (“food security” and “safe security”³) for the entire population, especially population groups at serious nutritional risk – such as children, the elderly, poor pregnant women and ethnic groups suffering negative discrimination – is usually out of the range of conventional agricultural policies.

There is, however, common ground: the interaction of social security and food security policies to mitigate social risks. Such interaction will be addressed in the following section, which describes the actual experience of public policies implemented in Brazil. We will also try to demonstrate the possibility of replicating some of these national experiences worldwide, by using two concepts: the concept of the social protection floor, linked to the social security system and to family agriculture; and a guaranteed minimum price (price-support policy) also linked to family agriculture, under an explicit contract to meet the nutritional needs of vulnerable social groups by supplying them with basic food baskets.

Finally, although the concept of social security presented here is well established as a standard in Brazil – as elsewhere in a significant part of the international community – in the organization of state institutions including ministries, institutes or departments which are specifically in charge of the provision of public goods aimed at safeguarding situations identified as social insecurity (occupational risks impeding an individual’s capacity to work), no such linkage yet exists for the concept of food security. Such links are still being built in terms of making a direct connection to specific institutional structures organized in public systems for the provision of goods. At the current stage of development, the concept of food security is seen rather as a guiding and innovative principle for already existing social and agricultural policies and institutions. It is not a guideline for the structuring of new institutions, such as those that already exist for social security, but an innovation to be assimilated by the independent structures and tools of agricultural policy.

³ The concept of safe security is linked to the notion that the quality of the food should be safe, that is, without risk to human health. More recently it has also evolved into the category of “food sovereignty”. This concept does not adequately combine the concepts of food security and safe security, which are linked to the biological risks of food insecurity. Respect for cultural food habits must also be taken into account.

2. Public policy experiences with a common ground: Social security and food security in Brazil

2.1. Rural insurance (*Previdência Rural*)

The historical experience of Brazil in structuring its social security system (*Sistema de Previdência Social*) dates from the 1930s. Between that time and its 1988 Constitution Brazil pursued, in various ways, the successive inclusion of strategic categories of urban employees in contributory social security: railway, dock, industrial and commercial workers, banking, and so on. Rural workers were excluded for two structural reasons: (a) the general lack of formal contractual wage agreements for the economically active rural population; and (b) the nature of labour relations dominant in rural areas, with a predominance of family self-employment in the south, a significant amount of subsistence farming in the north-east, and forestry producers in the north. Up to 1988 these groups stood little chance of being included in the contributory social security system.

During the military regime there was one explicit initiative to include family farming in the social protection system – a non-contributory assistance programme called the Fund for Social Security and Assistance to Rural Workers (*Fundo de Assistência ao Trabalhador Rural e Programa de Assistência ao Trabalhador Rural*, or FUNRURAL), created by Complementary Law No. 11 of May 1971. FUNRURAL addressed heads of households with a single benefit for older and disabled rural people set at half the minimum wage. Its administrative structure was not linked to the social security system described above.

The 1988 Constitution created a social security system comprising public systems covering health insurance, social insurance and various social assistance programmes. A permanent sub-system of rural insurance, *Previdência Rural*, was then structured as a component of this social security system, with its own regulations concerning beneficiaries and funding:

1. All types of labour relations in the rural area are addressed, but particularly non-wage labour relations which had been previously excluded from the system. These are now encompassed in a wide concept: the “family economy scheme”.
2. There is a semi-contributory scheme for non-wage relations, requiring only proof of previous work time in one of the many farming arrangements that fall under the concept of family work (small landowners, partnerships, tenants, indigenous population, subsistence farmers, agrarian reform settlers, etc.). The financial contribution of the insured is not compulsory, but is linked to commercialization of the production, where this exists. The purchaser of such commercialized primary production is required to pay a contribution at a rate of 2.5 per cent.
3. It is linked to the social security benefit floor, set as the national minimum wage of active workers.
4. It is subject to two special access rules for female spouses: (a) the retirement age for female farmers is five years earlier than for male farmers; and (b) women are entitled to insurance even if they are not “head of household”, which was required under FUNRURAL. The only requirement today is that the woman is considered as spouse.
5. It benefits from a subsidy, calculated *ex post*, of around 85 to 90 per cent of the contributory rate provided through explicit contribution. In other words, after *Previdência Rural* came into force it collected 10 to 15 per cent of the annual insurance benefits paid each year. This gap, calculated for the period 1995–2010,

corresponds to a supplementary budget value of approximately 1 per cent of GDP (see data in table 2.2).

These provisions, expressed in the social security laws approved at the end of 1991⁴, have regulated a new social insurance law in Brazil since then, being separate from the compulsory contributions of wage workers. Its efficiency was immediately demonstrated in the rural domain, causing a large demand flow of benefits from acquired rights (especially elderly men at the age of 60 and elderly women at the age of 55); also, the benefit expenditure *quantum* rate (*estoque de benefícios em manutenção*⁵) related to proven previous work time rose strongly in the first two years (1992 and 1993), above 20 per cent per year. After 1993, the number of benefits paid stabilized – around 1.9 per cent per year on average in the period 1995 to 2010, reflecting normal demographic evolution apart from some initial effects caused by changes to the system’s rules (see table 2.1).

Table 2.1. Universalization of social security, general indicators, 1991–2011

Year	Total number of benefits paid (thousands)	Number of old-age benefits paid (thousands)	Value of benefits (benefit floor, in US\$)
1991	4 080.4	2 240.5	44.1
1992	4 978.9	2 912.8	47.1
1993	6 001.0	3 855.9	67.3
1995	6 359.2	4 176.2	100.7
1998	6 913.1	4 305.3	108.5
2000	6 493.9	4 012.1	82.5
2005	7 351.2	4 647.3	123.5
2008	7 901.8	5 125.4	257.8
2010	8 372.1	5 494.9	311.8
2011 (April)	8 426.0	n.a*	320.0

* n.a. = not available.

Sources: Delgado and Cardoso, 2003, p. 21, for 1991–1998; Anuário Estatístico da Previdência Social (AEPS) several years, for 2000–2011.

According to the constitutional criteria established in 1988 and regulated in June 1991, the floor for cash benefits provided by social security was set as the official minimum wage. Just before the new regulations came into force in late 1991, rural workers had been receiving a benefit of the equivalent of US\$22.10 per month under the FUNRURAL assistance programme (4,080.4 thousand accumulated benefits), that is, half the minimum wage of US\$44.10; this now doubled, to the same amount as the minimum wage. And from 1994 onwards, two policies have had very positive effects on the purchasing power of the minimum wage: monetary stabilization with the introduction of the Real; and the valorization policy (real growth) of the minimum wage, which has been put into practice

⁴ Laws Nos. 8.212 and 8.213 of June 1991 on costing and benefits of social security.

⁵ The “benefit expenditure *quantum* rate” refers to the growth rate of the benefit expenditure *quantum*, before any real growth of the “price” of those benefits. See Delgado, 2007a, 2007b.

by several governments, especially by the last government of former President Lula. As a result, the minimum wage as measured in current US dollars increased by 142 per cent between 1991 and 1995, and almost threefold (196 per cent) from 1995 to 2011, as shown in table 2.1.

From 31 December 1991 to the end of 2010, the effects of the extension of *Previdência Rural* by 105 per cent were combined with the valorization of the benefit floor, affecting nearly all rural beneficiaries. The floor valorization was 607 per cent (311.8/44.1), a sevenfold increase as measured in minimum wage units in current US dollars; or twice that value if the calculation is made from the FUNRURAL amount of half the minimum wage up to 1991. There is, therefore, a cumulative effect that derives from the real expansion of the “*estoque de benefícios em manutenção*” (105 per cent) and from the valorization of the social security floor (607 per cent), over a period of 20 years. The implications for the increase of family monetary income are clear, requiring no further demonstration. Other factors emerge, however, when comparisons are made at different moments in time over the period. Dollar inflation and the strong rise of the Real against the dollar are not taken into consideration in this paper. These slightly reduce the purchasing power of the minimum wage if basic wage baskets acquirable in Brazil throughout the period are considered as units of comparable value. However, these omissions do not affect the conclusions.

It is important to highlight that this is a social protection floor policy that changed from the precarious and mitigated response of FUNRURAL to the guarantee that social basic needs are met, including food security which is understood as a social right safeguarded by constitutional arrangements.

According to economic, demographic and social rights criteria, the sub-system of *Previdência Rural* is at present the major means of income distribution in Brazilian social policy. It includes approximately 85 per cent of the rural economically active population who are actively insured. Under this condition, rural workers receive the same benefits against the risk of incapacity for work as in general social security (old age, invalidity, sickness, employment injury, death of spouse, maternity and imprisonment). Nevertheless, old-age benefits have been the most frequently requested in the rural area. Data from the National Household Sample Survey (*Pesquisa Nacional por Amostra de Domicílios*) indicate that from 1992 to 2009 the coverage of rural families with older people receiving benefits according to the new floors of *Previdência Rural* increased from 60 to 90 per cent (see Annex table). Women are predominant in this group; they are protected by insurance at a higher level and receive that protection sooner and for a longer period of time, owing to female longevity.

The strong empirical evidence already given in this paper (table 2.1), and further evidence that will be presented later, shows that beneficiaries of *Previdência Rural* – whether those included in the system after the 1988 Constitution, former formal wage employees, or former beneficiaries of the FUNRURAL programme benefiting from the new rules – changed their family income pattern after the benefit floor regulation came into force at the end of 1991. On the other hand, and because it was not foreseen, the indirect consequences of the *Previdência Rural* system in reviving the rural family economy by improving productive capacity is less clear.

Direct sampling research, carried out by the Institute of Applied Economic Research (*Instituto de Pesquisa Econômica Aplicada* – IPEA) in 1988 throughout 300 Brazilian municipalities and focusing on the beneficiary population of *Previdência Rural*, revealed that in that population there was a strong link between active rural households (family businesses) and households with members benefiting from *Previdência Rural*. It verified that about 45 per cent of the families receiving income from social security were also linked to active rural businesses.

This information was indirectly confirmed by the Agricultural Census of 2006, which targeted agricultural and livestock businesses. For the first time the Census considered all family farming separately, focusing on a concept much closer to that used in the family economy scheme. It found that about 900,000 rural family structures were receiving cash benefits from social security – approximately one-third of rural family structures out of total family farming structures (3,031,200) active in 2006. Another 1.3 million family farming structures were inactive at that time.

Further direct evidence on the role *Previdência Rural* has played in fostering production is found in the above-mentioned sample research conducted by IPEA on beneficiary households of *Previdência Rural*. When “heads of rural businesses” also benefiting from *Previdência Rural* were researched, it was found that almost half of them (44 per cent on average) claimed to have used social security resources as means of production in order to finance their agricultural activity (Delgado and Cardoso, 2003, p. 68).

After two decades of effectively applying the rules of social law to *Previdência Rural* and combining them with other social protection policies, there is solid empirical evidence that demonstrates two consequences: the first – planned and achieved – was the improvement of the social protection system in the rural domain; the second – unforeseen – was the migration of social security resources to active family businesses, favouring the production conditions of those farmers who traditionally practise polyculture and produce food.

The principle of universal access for family farming, requiring no compulsory financial contribution, was a major factor in making that second consequence effective. This rule, which is applied throughout the entire country and is linked to the wider concept of the family economy scheme, promoted the effective inclusion of the many groups of farming structures in the rural area who represented the majority of the population but were excluded from the former insurance scheme, as well as from conventional agricultural policy. And that inclusion meant an effective extension of the political and social – not only economic – capacity to reduce the social marginalization of these farming structures, who are defined in law as “practitioners of an activity in which the work of family members is essential to the very survival and development of the family and is put into practice in conditions of mutual dependence and cooperation, without the use of permanent employees⁶.”

This concept, as pointed out above, embraces all farming sectors from across the country (small landowners, small tenants, partners, sharecroppers, agrarian reform settlers, vegetable extractors, indigenous population, descendants of slaves (*quilombos*), vegetable collectors, traditional fishermen, workers in the subsistence economy and a wide number of groups and regional definitions of these social relations), currently corresponding to about 70 per cent of the rural economically active population not covered under the system of wage employment.

On the other hand, the connection between the family economy scheme and food polyculture – in contrast with monoculture and commodities produced on a large scale in standard agribusiness – is demonstrated by the 2006 Agricultural Census on family agriculture, which states that this category of family farming is responsible for producing 38 per cent of the “gross value of agricultural production”, indicating a strong diversification of crops and a prevalence of food products.

In sum, there is very strong evidence that *Previdência Rural* has extended the productive capacity for family food production within family agriculture, even though this is not its

⁶ In accordance with Law No. 8212/91, with conceptual wording modified to expand new arrangements of the family economy by Law No. 11.718 of 20 June 2008.

explicit aim. However, the impact caused by the universal access of family farming to the system is so strong, and the concept of the social protection floor as applied to rural families is so meaningful and increasingly appreciated, that a change in the social policy regulations in other contexts and countries could have a significant effect in reviving the traditional production of poor farmers, as it has done in Brazil. These usually have small businesses, grow a large diversity of crops, especially food products, do not use toxic agro-products and rely predominantly on family work.

Public financing scheme

When *Previdência Rural* was created as a new sub-system integrated into an older system of social rights and implemented in a situation of strong social inequality, an income redistribution scheme was obviously required.

Previdência Rural's financing naturally depends of an explicit transfer scheme of tax resources, as foreseen in the social security budget created by the 1988 Constitution. In this budget, specific and exclusive taxes are set out for the social security system; these include the “contribution on net profits of enterprises” and “contribution to the social security financing”, the latter on the value added of the production revenue at each step of the production chain. These taxes, and others not relevant to this section, are the major tax sources responsible for providing the free or subsidized public services of the social security system.

As a system of income redistribution, the *Previdência Rural* absorbs resources of around one percentage point of GDP, which refers to the difference between the funds raised by the specific contribution required from family agriculture, and rural benefits expenditure in each year (1995–2010, see table 2.2).

Table 2.2. *Previdência Rural* budget, 1995–2010 (R\$ thousands)

Structure	1995	2000	2005	2006	2007	2008	2009	2010
Statutory collection	845.0	1 342.9	3 348.0	3 805.0	4 245.0	4 972.0	4 564.1	4 814.4
Benefit expenditure	7 560.2	11 611.4	25 908.2	32 369.0	36 683.0	39 044.6	49 044.6	55 472.0
Tax subsidy	6 715.2	9 494.4	22 560.2	28 564.0	32 438.0	35 025.0	43 176.0	49 028.4
Tax subsidy as % of GDP	1.07	0.80	1.05	1.21	1.22	1.15	1.36 (est.)	1.33 (est.)

Note: Estimated data for 2009 and 2010 are based on IBGE surveys giving quarterly GDP figures.

Source: Ministry of Social Security, Resultado Previdenciário (several years – primary data). Prepared by the author.

When comparing data in tables 2.1 and 2.2, one can clearly conclude that from 2005 onwards the factor responsible for increasing the tax subsidy on *Previdência Rural*, measured as a proportion of GDP, is in fact the effect of the social security floor (minimum wage), which has a more rapid real growth. The quantitative effect on the variation of the “*estoque de benefícios em manutenção*”, as measured by the total number of benefits paid (table 2.1), is growing at a normal demographic pace (2.5 per cent per year between 2005 and 2010), an annual increase of just over 200,000 benefits to the “*estoque de benefícios em manutenção*⁷”. In turn, the collection of social security contributions specific to *Previdência Rural* (“statutory collection” in table 2.2), which focuses on the first primary

⁷ Over a million (1,084,700) rural benefits were granted in 2009; benefits that ceased during the year to 31 December totalled 676,100 while another 150,900 were suspended due to legal arrangements. This resulted in a net increase to the “*estoque de benefícios em manutenção*” of 257,400 benefits from the end of 2008 to the end of 2009 (AEPS, 2009).

commercialization (2.5 per cent), almost keeps pace with the growth of benefit expenditure (line 2 of table 2.2) at around 10 per cent of expenditure – requiring significant subsidy of around 90 per cent throughout the period 1995–2010.

From the above, it seems clear that there is a need for medium-term planning in terms of resource transfer to systems similar to *Previdência Rural* – semi-contributory, with rules of universal access and basic benefit, and under a valorization policy. The key variables on the expenditure side – variations in the “*estoque de benefícios em manutenção*” – and in the benefit floor are fully predictable, as is the collection of contributions within the system itself. Hence, the subsidy must be explicit, transparent and guaranteed by a multi-annual system of resource calculation. Calculations for annual budgets are not sufficient to meet these social security rights, which must rely on constitutional safeguards that protect acquired social rights against short-term cuts or restrictions caused by fiscal policy.

This section has focused on the social protection and food security benefits as well as the budgetary costs of the Brazilian rural insurance scheme *Previdência Rural*. There is certainly a trade-off between these benefits and tax costs, which will vary from country to country. This issue will be analysed further at the end of this paper. It is nevertheless important to note here that a social protection floor system aimed at family farmers, who are usually very poor, cannot and should not be based on contractual contributions balanced in actuarial terms, otherwise it will not perform the necessary redistributive role. For this reason the design and public funding of such a policy are key, if it is to become an effective part of the social protection system.

On the other hand, it is necessary to focus not only on social policy but also on the specific potential of agrarian policy to generate a virtuous cycle in food security, which could improve the social protection system. This is the aim of the following section.

2.2. Agrarian policy for food security and social protection: the PAA experience

Social security is the conventional institution protecting workers against risks impeding an individual's capacity to work. Other objectives or implications that derive from that effective protection, especially for family farming in the Brazilian *Previdência Rural*, have consequences which are relevant to agrarian policy, revitalizing segments of the farm economy that are usually disregarded by conventional agricultural policies. But despite such unintended consequences, a specific agricultural policy that fosters family farming and food security is necessary within the framework of agricultural policy in general.

This is the context in which the second public policy experience analysed here was developed – the Family Agriculture Food Acquisition Programme (*Programa de Aquisição de Alimentos da Agricultura Familiar* – PAA). This programme was introduced in the overall set of agricultural policies adopted in 2003⁸ during the first government of former President Lula, which articulated a national policy on food and nutritional security. The original design and subsequent implementation (2003–2011) of the PAA⁹ have created a new experience in Brazilian social and agricultural policy. It mainly organizes action to foster food production by family farming, linked to food assistance provided to social groups at risk of food insecurity.

⁸ Law No. 10.696 of July 2003.

⁹ In accordance with Law No. 10.623 of July 2003 and several subsequent administrative regulations.

The PAA strategy is innovative for agricultural and social policies in the following ways:

1. It establishes a institutional centre for the demand of food production from the family farming economy, using a purchase guarantee at “specified minimum prices”.
2. It foresees grants for food consumption aimed at populations at risk of food insecurity – such as shelters, day-care centres and school canteens – delivering food baskets on a regular basis, as agreed with these institutions.
3. Actions to boost production (1) and to provide food and nutrition (2) are carried out using the same economic resource (state procurement). However, they simultaneously assist different target groups and perform different tasks in relation to food provision and access. The most important issue in this joint action is the legitimacy acquired by connecting these two actions when addressing these target groups.
4. All these intergovernmental arrangements are under the management of a inter-ministerial steering group (comprised of six ministries involved in governmental action), with the authority to adopt regulatory and executive measures regarding the Programme’s objectives – namely, setting and updating guaranteed prices, promoting the definition of priority areas of intervention, establishing rules on the donation of the products purchased and on the purchasing terms for acquirable products, and establishing integration of public common shares of the different ministries (see Delgado et al., 2005, pp. 16–17).

The first of the stated objectives of the PAA responds to a long-standing demand on the part of family farming organizations: the creation of a mechanism similar to the “support-price” system used in Brazil for minimum guarantees in the commercialization of capitalist agriculture, but separate from that system.

The second goal specifically addresses policies conventionally included in the list of public social assistance – care homes for the elderly, kindergartens, homes for poor children, and from 2009 including the large basic education sector. The latter is served by the federal school food programme financed by the federal budget; it is now compulsory to acquire 30 per cent of the food for this programme from local or regional family farms (see table 2.3). All these institutions rely on direct sources and forms of access to food, free from the usual bureaucratic difficulties imposed by the public procurement law.

The third objective, which requires the simultaneous achievement of conditions 1 and 2, is the PAA’s core desideratum. It links two distinct and legitimate demands: the fostering of the family farming economy, and the social protection of (usually urban) groups considered to be vulnerable in terms of food security.

Despite the fact that the PAA is aimed at the family farming, it differs greatly from *Previdência Rural* which is a permanent policy of the State, based on the recognition of social rights and financially supported by taxes linked to the social security budget. When the PAA was launched in 2003 it was as part of an articulated action of the federal Government regarding the eradication of hunger (*Programa Fome Zero*). It was implemented throughout the first administration of former President Lula as an experimental programme, but expanded during the second government of 2007–2010 and also during the current government of 2011–2014, when more significant support has been provided in terms of budgetary resources to fully extend its scope and goals (table 2.3).

Another important difference is that *Previdência Rural* is administratively centralized at federal level within the National Social Insurance Institute (*Instituto Nacional do Seguro Social* – INSS), whereas the PAA is relatively decentralized, involving the participation of states and municipalities. This partial decentralization of the programme is shown in table 2.3.

Table 2.3 PAA budget (R\$ millions) and number of beneficiaries, 2003–2011

Year	Centralized (CONAB)	Decentralized	Total	No. of farmers (family farming) covered	No. of institutions benefited through CONAB contracts
2003	81.54	n.a	81.54	41 460	n.a
2004	105.98	75.09	181.07	68 700	n.a
2005	112.79	182.79	295.58	69 690	n.a
2006	201.07	223.08	424.15	123 580	n.a
2007	214.49	186.03	400.52	118 360	13 494
2008	276.43	149.41	425.84	112 660	17 713
2009	363.68	237.93	501.61	121 520	11 548
2010	379.73	238.31	618.04	146 390	17 764

Note: Public procurement involves a wide variety of about 300 food products, components of the basic lists agreed with local and regional institutions assisted; in 2010 these amounted to 432,000 tons of food donated, acquired and stored for later distribution.

Sources: CONAB, Ministry of Agriculture for centralized data; Ministry of Social Development (MDS) for decentralized data.

In terms of fostering production, the PAA has neither the intention nor the resources to expand its coverage to the some three million family farming structures actively in business according to the 2006 Agricultural Census, or to reach the 1.3 million family farming structures reported as inactive in that year. And even for the businesses it supports, it only guarantees part of the commercialization, which varies over time – equivalent to 6 to 9 minimum wages in acquired basic food baskets per year. At most, the PAA is likely to cover 450,000 family farmers by 2014 with a budget for food purchases of two billion Reals (approximately 1.2 billion US dollars), according to targets currently under definition by the Federal Government.

While the PAA does not follow comprehensive criteria of universal access, it characterizes a meaningful search for an alternative path for the social and economic inclusion of a very heterogeneous category of farmers. This type of social inclusion has been carried out without breaking the organizational and productive structure of family farming, while at the same time giving them the proper guarantees that allow them to commercialize their food production.

In turn, the nutritional requirements of the recipients imply that food products must be derived from diversified crops and contain several and varied nutrients (mostly vitamins). Agro-ecological principles have therefore been adopted in the production process. Also, respect for regional food habits is required. All these conditions relating to the principles of food security mentioned above can be met with relative success by local groups of family farmers. The PAA in a sense gambled successfully on the possibility of these conditions coming together; the expansion of the scheme in recent years has demonstrated its ability as a convergent action in meeting basic human needs through the participation of citizens.

Structural heterogeneity of the groups covered

The implementation of public policies to rescue Brazilian family farming has revealed, at the end of the 20th century, a country with deep rural roots, extremely heterogeneous and mainly poor.

Although family farming is recognized under *Previdência Rural*, it is up to the family farming structures themselves to fulfil the eligibility criteria under the family economy scheme. This, as previously shown, has been occurring at a nearly universal level.

With PAA, it happens otherwise. Although the concepts of family economy in the two policies are similar, the way PAA addresses its public is different. PAA presupposes a generic contract of acquisition and simultaneous donation. This is the main way of connecting local family farming with assisted institutions. It involves, on one hand, a strongly heterogeneous group of potentially 4.37 million small family farms in the country as a whole, of which only three million declared revenue of any kind in 2006 when the census was carried out. On the other hand, there is a wide network of assistance, educational and community-based institutions, technically supported by social policy but generally working under poor conditions. The bridge the PAA has been building between these two groups of stakeholders relies largely on local initiatives for raising awareness and mobilization on the one hand, and on the other hand depends on the contribution from fiscal resources and the State's managerial capacity to support these claims.

Those under a contract with CONAB for the purchase of their food production (94,400 families), were categorized by the PAA in 2010, as shown in table 2.4.

Table 2.4. PAA categories of suppliers, 2010 (percentages)

Suppliers	Percentage
Family farming (active)	85.01
Traditional fisherman	2.59
Agrarian reform settler	10.33
<i>Quilombolas</i> *	0.44
Landless farming	0.43
Indigenous people	0.36
Affected by dams**	0.12
Agro-extractors	0.74
Total	100.00

Notes: *Quilombolas are communities of former black slaves, legally recognized. ** "Affected by dams" refers to farmers who have been removed or resettled on other land due to the construction of hydroelectric dams on their original land.

In the same year (2010), those assistance and educational institutions benefiting from donations from PAA purchases, whether under the "purchase with simultaneous donation" contract or under direct purchase from the Government and later distributed, were also categorized, as shown in table 2.5.

Table 2.5 PAA beneficiaries, 2010 (numbers and percentages)

Beneficiaries	Numbers	Percentage
Primary schools	9 092	51.18
Benefiting associations	1 614	9.09
Community-based associations	1 130	6.36
Kindergartens	1 122	6.32
Religious institutions	1 045	5.88
Care homes for children	594	3.34
Care homes for the elderly	502	2.83
APAEs (Association of Parents and Friends of Exceptional Children)	501	2.82
Hospitals	338	1.90
Shelters	299	1.68
Pre-schools	156	0.88
Care homes for disabled people	139	0.78
Subtotal	15 532	93.06
Others	2 232	6.94
Total	17 764	100.00

It is not possible to describe in detail here the accreditation eligibility criteria required for each of those groups. However, three can be briefly summarized:

- The condition of family farmer (peasant) is proven by a declaration of fitness provided by family farming unions, by official bodies of the Rural Extension, consistent with the legal requirements of the programme.
- The eligibility conditions of for beneficiaries are confirmed by local social welfare officials.
- Local arrangements for establishing contracts for purchasing with simultaneous donation to assistance institutions are subject to the consideration of local councils.

These criteria represent the most creative and also most complex and diversified practices of the social interactions made possible by the PAA.

3. Conclusions and recommendations

This paper, besides reporting national experiences already tested that combine social protection and food security policies, is also intended to foster international exchange. Some of the policy actions described here may be possible to apply in other national and social economic contexts in countries of the South.

Public policies, as we all know, are built in national, regional or local settings by the public entities exercising sovereignty over those territories. But policies also depend on the creativity and initiative of civil society, which can mobilize and encourage local communities to meet basic human needs in their fullest sense. These are not mere goods or services, to be exported or imported. But where political action in similar socio-cultural circumstances has been proven in actual practice, its ideas, ethical inspiration and even technical structures may appropriately be used elsewhere.

The socio-economic characteristics of the two Brazilian experiments reported here – Rural Insurance (*Previdência Rural*) and the Family Agriculture Food Acquisition Programme (*Programa de Aquisição de Alimentos da Agricultura Familiar* – PAA) share common ground. They combine political action for social protection with development linked to the family farming economy.

Previdência Rural highlights the idea of a universal social protection floor, very close to the proposed ILO Social Protection Floor Recommendation, 2012 submitted to the 101st International Labour Conference. In this specific case, Brazil was independently able to create a public social security system as the main access policy for the various groups of family farmers all over the country, after centuries during which such farmers (peasants) had been excluded from state policies.

Countries of the South with lower fiscal capacity would undoubtedly have to put in place tributary systems appropriate to a gradual adoption of the social protection floor, associated with the implementation of a system similar to Brazil's. Nevertheless, fiscal capacity should not be seen as a deterrent but rather as a condition in making this experience universal. Variants of the Brazilian experience as described here can be applied to countries with lower levels of income per capita, provided that internal and external resources are entailed specifically for the social protection floor. An analysis of these conditions is, however, beyond the scope of this paper.

In the second case, the Food Acquisition Programme (PAA) – which is still a symbolic amount but has all the legitimacy and potential to grow within a virtuous connection between agrarian policy and social policy – there is a specific budgetary allocation. While the budgetary allocation and managerial skills are relevant, the creativity of the PAA in using the same budget for the dual purpose of fostering production and providing food assistance can be applied to many other contexts.

Both experiences, explicitly focused on minimizing deprivation and social risks, assume an active presence of the State in implementing social policies.

Finally, the experience of the Brazilian *Previdência Rural* reveals an important caveat: the social protection floor cannot be as low as it was in the old FUNRURAL scheme (US\$22 per pension, half the minimum wage) – so low that hardly served any purpose of social protection or food security in the conditions of Brazil's economy and society at that time (1972–1991).

The approach in the present paper, from the conceptual framework of public policies to the experiences reported, responds implicitly to the Decent Work Agenda recommended by

the ILO. It emphasizes that the Brazilian experiment, tested by two decades of significant expansion of social protection in rural areas and adopted in two legal instruments for rural social welfare, is accessible to poor peasants. This paper has not discussed certain problems and limitations that have emerged but that are non-essential and particular to the schemes presented here. However, in discussing the conditions for the possible application internationally of these experiences, it is important to focus on the issue in terms of ideas, ethical inspiration and interchangeable technical and political criteria, without claiming any possible direct application to other countries.

Annex table

Table 3.1. Rural population benefiting from retirement benefits and/or pension benefits, by sex, 1992–2009 (percentages)

	1992	1993	1995	1996	1997	1998	1999	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total	65.2	76.7	80.9	79.9	81.4	82.2	82.6	85.1	85.4	86.6	85.2	85.4	84.7	83.3	86.1	86.6
Men	68.9	77.3	79.3	77.7	78.1	79.8	80.2	83.1	83.7	84.8	83.7	83.4	82.7	82.4	83.9	84.4
Women	61.5	76.1	82.4	82.2	85.0	84.6	85.1	87.1	87.1	88.4	86.9	87.6	86.9	84.3	88.4	88.9

Notes: Old-age and retirement benefits begin at 60 years of age. All basic public social security schemes are included in this table (INSS and/or public officials).

Source: Prepared by Disoc/IPEA on the basis of microdata from Pnad (IBGE). From 2004 onwards, the rural populations of Rondônia, Acre, Amazonas, Roraima, Pará and Amapá were included by Pnad.

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