

Simple transfers, complex outcomes. The impacts of pensions on poor households in Brazil.¹

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Abstract

Drawing on quantitative survey data and in-depth interviews, this paper seeks to map out the potential direct and indirect effects of simple cash transfers on households in impoverished rural and urban settings. Brazil is shown to have an extensive system of old age pensions, which affords almost universal coverage to households containing older people. These benefits have a significant impact on levels of poverty and vulnerability in recipient households. They also facilitate access to essential healthcare items, such as drugs, which are seldom freely available through the state health system. The in-depth interviews reveal that pensions can have important effects on intra-household relations, but these effects were not generalizable or easily captured by quantitative survey tools. There was clear evidence that pensions reduced the propensity of older people to remain economically active, but this must be understood in a context of limited employment opportunities for all age groups and a high prevalence of disability. Overall, the paper demonstrates the complex effects of a relatively simple cash transfer, which policy-makers need to take into account.

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