

## Maricá Basic Income Fact Sheet

August 2022

### Project Overview

Maricá's basic income program is called Renda Básica de Cidadania (Citizens' Basic Income, or RBC). Following a major expansion in 2019, more than 42,000 people -- roughly one out of every four Maricá residents -- are now enrolled in its basic income program. In 2019, after the expansion of the program, each of these beneficiaries, all of whom have lived in Maricá for at least three years and belong to households earning less than three times Brazil's minimum monthly income of R\$1212 per month (approximately US\$239), initially received a monthly payment equivalent to 130 reais (approximately US\$26, PPP US\$65) per person, paid in mumbuca, Maricá's local digital currency. As a response to the Covid-19 crisis, in April 2020, the transfer was temporarily increased to the equivalent of 300 reais (approximately US\$59 per person, PPP US\$147). This measure lasted until December 2021. As of May 2022, the value of the benefit was permanently readjusted to R\$200 (US\$39).

In a country where the per-capita poverty line stands at 210 reais (roughly US\$41) per month, the program is poised to make a major difference in the lives of tens of thousands and to impact scholarly and popular debates around cash transfer programs in Brazil and across the world.

Jain Family Institute, based in New York City, and the Universidade Federal Fluminense, based in Niteroi, Brazil, are collaborating to study this remarkable case of basic income at scale. With support from the City of Maricá, the Brazilian Basic Income Network, and colleagues across the world, our international research team will conduct a longitudinal mixed-methods study that will yield unprecedentedly broad insights into the macro- and microeconomic effects of Maricá's policy and contribute to debates on social welfare and cash transfer policies across the social sciences.

### Maricá's Covid-19 Response

In March 21, 2020, Maricá announced an expansion of its basic income to begin in April, alongside a new array of measures aimed at reducing the negative impacts of the Covid-19 pandemic. Maricá's new policy is among the fastest and most ambitious enactments of basic income as a crisis response, proposals for which have been a topic of live debate in cities and countries around the world.

### Facts about the COVID-19 Response

- Maricá's approximately 42,000 RBC (Citizens' Basic Income) beneficiaries each received monthly payments equivalent to R\$300 (approximately USD\$52) between April 2020 and December 2021, rather than the R\$130 of the original program. These transfers are distributed in a local currency, the mumbuca, which is spendable only in Maricá (find more about the mumbuca below)
- In addition, the "Christmas bonus" (a 13th annual payment typically paid in December) was advanced to April, so each beneficiary received a total of the equivalent of R\$430 that month, in mumbucas

- Informal workers were eligible for a payment of R\$1045 per month between April 2020 and June 2021 (Workers' Support Program). In August 2021, the benefit value was readjusted to R\$600 and was paid until December 2022. Only those registered with the federal government as "microentrepreneurs" were eligible, though the city says it helped those who had not yet registered to do so. Approximately 20,000 people benefited directly
- The government distributed more than 24,000 basic food baskets to families with children in the Maricá public schools
- Finally, the city offered up to R\$20mn total in interest-free loans to small businesses

#### Facts about the Core Basic Income Program

- The program is called **Renda Básica de Cidadania** (RBC, or Citizens' Basic Income)
- More than 42,000 individuals (out of a total population of approximately 161,000) receive monthly payments equivalent to R\$200 per person
- The scale of the benefit
  - For reference, the individual poverty line in Brazil is R\$210 per month, and the minimum monthly salary for a full-time job is R\$1212
  - Taking into account federal benefits, which can be added to RBC, a family of four, living below the poverty line, will probably receive a total monthly amount of about R\$1200, close to the monthly minimum wage
- The payment is made in a local currency called the mumbuca (named for the town's river and one of its indigenous groups) and cannot be converted to cash
  - The currency is administered by a community bank called the Banco Mumbuca and can only be spent in the city of Maricá, through a card and a cell phone app
  - The Banco Mumbuca is one of more than one hundred banks that belong to Brazil's highly developed network of community banks coordinated by its founding member, Banco Palmas in Fortaleza; many run their own similar local currencies
  - In addition to the accounts for benefit recipients, the Banco Mumbuca is used by the 20,000 beneficiaries of Maricá's Workers' Support Program described above, as well as by businesses that accept payment in mumbucas, and non-beneficiaries who have opened voluntary accounts
  - Merchants who accept the mumbuca pay a 2% fee, which is used to finance zero-interest loans to groups of local residents
- The program is run by the city's **Secretaria de Economia Solidária** (Secretariat of Economic Solidarity), led by Secretary **Adalon Mendonça**, and it is part of a broader effort to create a "solidarity economy" in the city. Beyond the above-noted microcredit program administered by the Banco Mumbuca, this effort also includes:
  - Stipends and savings accounts for public-school students
  - Financial support for study at private tertiary institutions
  - A system of free public transportation within the city

- A larger basic income of 300 mumbucas a month for indigenous residents
- A sovereign wealth fund, created in December 2017 and capitalized by oil royalties, now exceeding R\$1 billion in value, intended to guarantee these programs in perpetuity
- The eligibility criteria for a household to participate are
  - (1) residency in Maricá for three years
  - (2) total earnings of up to three times the Brazilian monthly minimum salary (R\$3626 in 2022)
  - (3) registration in a specialized program database administered by the city

### Historical Timeline

- **26 June 2013:** Banco Mumbuca and the mumbuca currency are launched
- **2 December 2013:** Law 213/13 creates the city's original minimum income program, the Renda Mínima Mumbuca, which by the following year was paying 85 mumbucas per month to the ~14k households listed in the Cadastro Único, Brazil's unified federal database for social benefits
  - Enrollment in the Cadastro Único is done in-person at a local Centro de Referência de Assistência Social (CRAS) facility and requires the presentation of a document to prove identity. A representative of the household must return every two years to update their information in order for their registration to remain active
- **15 December 2015:** An additional program called Renda Básica (Basic Income) is created, paying a supplement of 10 mumbucas per household on top of the 85 per household offered by the Renda Mínima Mumbuca program
- **1 July 2017:** The Renda Mínima rises to 110 mumbucas per household, and Renda Básica to 20 mumbucas, for a total of 130 mumbucas per household per month
- **19 June 2019:** Law 2.869/19 subsumes the previous Renda Mínima program into the new Renda Básica de Cidadania program, and more importantly, the benefit shifts from a monthly payment of 130 mumbucas *per household* to a monthly payment of 130 mumbucas *per individual*
- **14 November 2019:** The city of Marica announced that only households who had their registration in the Cadastro Unico up to date as of 30 September 2019 would be enrolled in the program. This was announced on social media platforms, on Marica city hall's website, and on the radio.
- **November-December 2019:** More than 10,000 new beneficiaries are enrolled in the program during a massive enrollment push, bringing the total number of beneficiaries to 42,500.
- **April 2020 - December 2021:** In response to Covid-19, the Renda Básica de Cidadania benefit is increased to 300 mumbucas, a value in effect from April 2020 through December 2021
- **May 2022:** The value of the benefit is permanently readjusted to R\$200 a month

### Facts about Maricá

- Located two cities to the northeast of Rio de Janeiro, about 1-1.5 hours by car
- Population: 167,668 (2021 estimate, IBGE)
- Municipal GDP: R\$37,5 billion (2019)
- Municipal GDP Per Capita: R\$232,761.15 (2019)

- Maricá had the highest GDP growth rate of any Brazilian municipality entre 2002 a 2019, the latest year for which data is available
- Poverty Rate: 14.15% (2000), 4.88% (2010)
- Extreme Poverty Rate: 3.56% (2000), 1.47% (2010)
- Number of Maricá residents employed in the formal economy: 26,784 (16.3% of total population)
- Average income for those formally employed: 2.3 minimum salaries
- Percentage of Population with a Per-Capita Income of up to 1/2 a minimum salary: 33.8%
- GINI Index: 0.54 (2000), 0.49 (2010)
- 2022 Estimated Total Municipal Revenues: R\$4.29 billion
- 2022 Estimated Percentage of Total Municipal Revenues from Oil Royalties: 66.8%
- The current mayor is **Fabiano Horta** (Workers Party), in office since 2017
- His predecessor, **Washington Quaquá** (Workers Party, in office 2009-2016) implemented Maricá's first (smaller) basic income policy beginning in December 2015

### Basic Income in Brazil

- Brazil is the only country in the world that defines a basic income as a right of every citizen
- The 2004 law that accomplished this, **Law 10.835/2004**, was written by senator **Eduardo Suplicy** and signed into law by **President Lula da Silva**
- It establishes that the goal of a universal basic income will be realized as finances permit, beginning with the neediest citizens
- The first major step toward a basic income for all Brazilians is **Bolsa Família**, a conditional cash transfer program that offers monthly payments to families that vaccinate their children and send them to school. Bolsa Família was created in 2003 and formalized by **Law 10.836/2004**, signed the very day after Suplicy's basic income law. It unified numerous municipal and state-level programs into one new federal benefit

### The Study

- A triangulation mixed-methods study design including recipients, non-recipients, and leaders in Maricá consisting of three main components
  - (1) In-person quantitative surveys of several thousand residents examining effects on consumption, access to credit, work, income, physical and psychological well-being, child well-being, and relationship dynamics. Field work began in September 2021 and finished in April 2022
    - The sample was obtained adopting two strategies: (i) listing of potential households to be interviewed for the treatment and control groups from the Cadastro Único (federal unified registry for social benefits); (ii) door-to-door interviews - this procedure started with an enumerator knocking on the door of a household on the list, and after that, whether or not the interview was conducted, the enumerator knocked on every third door to the right of the first one, until the end of the street

- The econometric strategy will employ an inverse probability matching design, which restricts the comparison of treatment and control observations to those that are similar, given pre-defined observed characteristics that are unaffected by treatment
- (2) Qualitative semi-structured interviews with 30 local business owners, policy makers, street-level bureaucrats, politicians, and other key figures, to be conducted via video conferencing beginning in late 2020
- (3) Qualitative structured interviews with 44 beneficiaries and 22 non-beneficiaries from among the survey respondents, which will further investigate the questions addressed in the quantitative survey while addressing other questions across the social sciences, including clientelism, corruption, and rights; financial inclusion and participation in the formal banking sector; economic solidarity and social currencies; stigma, dignity, and political agency; and family and gender dynamics. We plan to begin interviewing in September 2022
- Component (1) was carried out by the firm [Oportunidade Estudos Sociais Espírito Santo](#) (Open Social)
- Component (2) was conducted by the researchers themselves
- Component (3) will be carried out by the firm [Jumpipi](#)
- In addition, we monitored both traditional and social media during 2020
  - Traditional media monitoring was conducted by [Manchetômetro](#)
  - Social media monitoring was conducted by [DataESP](#)

### Researchers and Supporters

- We are an international, interdisciplinary research team co-led by **Sidhya Balakrishnan**, Director of Research at the Jain Family Institute; **Fábio Waltenberg**, Professor of Economics at the Universidade Federal Fluminense; and **Johannes Haushofer**, Assistant Professor of Economics, Stockholm University and Senior Fellow, Jain Family Institute; and **Roberta Costa**, Research Manager at JFI and a doctoral candidate in Economics at UFF
  - The **Jain Family Institute (JFI)** is a nonpartisan applied research organization that works on designing more equitable social and economic policy in theory and practice (more below)
  - The **Universidade Federal Fluminense** (Fluminense Federal University, UFF) is a major federally funded university serving the Brazilian state of Rio de Janeiro and one of the best-regarded research universities in the country
- In addition, the team consists of **fellows at JFI, UFF, and neighboring Brazilian institutions**
- We are grateful to our partners in the city of Maricá. Our work is supported by Adalton da Motta Mendonça, Maricá's Secretary of the Solidarity Economy. Diego Zeidan, the former Secretary of the Solidarity Economy, supported our work in its earliest phases. The *Banco Mumbuca* and the *Instituto Darcy Ribeiro* cooperated with the research. Fabiano Horta, the mayor of Maricá, and Washington Quaqua, the former mayor, have made the project possible through their vision and leadership.

- We are also collaborating closely with the **Rede Brasileira de Renda Básica** (Brazilian Basic Income Network), a group of academics and activists working to expand basic income programs across and beyond Brazil. The RBRB is led by president **Leandro Ferreira**, and its honorary president is three-term federal senator and current São Paulo city councilor **Eduardo Suplicy**

#### About JFI

- Founded in 2015, JFI is a nonpartisan applied research organization that works on designing more equitable social and economic policy in theory and practice
- JFI has four main initiatives: (1) guaranteed income, (2) digital ethics and governance, (3) higher education finance and (4) macroeconomic research
- For guaranteed income, JFI's research focuses on microeconomic and macroeconomic effects; meta-analyses of cash transfer studies around the world; and, most extensively, on policy design and implementation. JFI partners with governments, research institutions and universities in the US and abroad to build and implement pilots and policies that will answer some of the most important remaining questions about direct cash transfers

#### About UFF

- Founded in 1960, the [Universidade Federal Fluminense \(UFF\)](#) is a public institution that belongs to the federal system of Brazilian higher education. Its headquarters are located in the city of Niterói and there are other campuses in various cities throughout the state of Rio de Janeiro, the result of a process of state-wide expansion by the university. There is also a campus in Oriximiná - PA, in the Amazonian rainforest
- Offering more than 130 undergraduate courses of study and another 130 graduate ones, in a wide range of fields of knowledge, UFF is one of the largest Brazilian universities in terms of the number of students enrolled, having doubled in size in the past decade
- Linked to the Graduate Program in Economics, the Center for Studies on Inequality and Development at UFF (CEDE-UFF), a research group coordinated by Fábio Waltenberg, will host the Brazilian team responsible for conducting the evaluation of Maricá's Citizens' Basic Income program

#### Press Concerning the Program in Maricá

- Estadão, 27 de abril de 2022. [Transferência de renda com moeda social em Cabo Frio, Itaboraí, Niterói e Maricá: alívio da pobreza ou renda básica?](#)
- New York Times, 30 de junho de 2021. [Prioritizing People to Build Back the Economy.](#)
- Spiegel International, 20 de maio de 2021. [A City in Brazil Experiments with the Unconditional Basic Income.](#)
- Nexo Jornal, 22 de dezembro de 2020: [Renda Básica: por um mecanismo robusto de proteção social.](#)
- Syre, 11 de dezembro de 2020: [Lokal valuta ger mer hållbara köp.](#)
- Syre, 11 de dezembro de 2020: [Här har basinkomst införts permanent: ”Intressantast i världen.](#)

- Syre, 11 de dezembro de 2020: [Mumbuca-kortet räddar liv.](#)
- Carta Capital, 9 de novembro de 2020: [Real? Não, mumbuca: candidatos prometem copiar moeda única de Maricá.](#)
- Estadão, 1 de novembro de 2020: [Maricá é o maior laboratório de Renda Básica na América Latina.](#)
- BBC Brasil News, July 27 2020: [Nascida há mais de 500 anos, ideia de renda básica para todos ganha força na pandemia](#)
- Rest of the World, July 23 2020: [Your money's no good here](#)
- El País Brasil, July 19 2020: [Maricá, no Rio, preserva empregos e negócios na pandemia e coloca a renda básica no centro do debate](#)
- Americas Quarterly, 21 May 2020: [The Brazilian Town \(Quietly\) Experimenting with Basic Income](#)
- Boston Review, 9 April 2020: [What a Solidarity Economy Looks Like](#)
- BBC Brasil News, 15 January 2020: [Cidade do RJ repassa R\\$ 130 mensais para 25% da população e vira laboratório da renda básica](#)
- Universidade Federal Fluminense, 15 January 2020: [Renda Básica de Cidadania: pesquisadores da UFF participam da ampliação de projeto social pioneiro em Maricá](#)
- Global Americans, 12 December 2019: [Renda Básica da Cidadania: What lessons could Latin America's largest basic income program bring to research on Universal Basic Income?](#)
- Vox, 30 October 2019: [More than 50,000 people are set to get a basic income in a Brazilian city](#)