The Matrix of Social Accounting (SAM) for analysis of the welfare Brazilian programs

Topic: Welfare programs
Author: Ana Cristina Guimaraes Carneiro
Co-Authors: Dinilson Pedroza Junior

This article presents a matrix of social accounting (SAM) for Brazil. This is constructed using the 2010 input-output matrix (MIP), the demographic census of 2010, the integrated economic accounts (CEI), also of 2010 and the family budget survey (POF) of 2008-2009, all surveys conducted by IBGE, institute of official statistics from Brazil. A SAM aggregates economic and social information into the standard structure of a MIP. The MIP informs how the various sectors that make up an economy relate with each other. The input-output model, originally developed by Leontief, allows us to establish the degree of technical dependence among the various branches of activity of a national or regional economy. Such precision makes it possible to glimpse how an increase in demand for a particular sector has repercussions throughout the economy. SAM describes how wealth generated and allocated is distributed among social classes or income brackets. In detailing the household consumption structure, a SAM shows how the sectors of activity are impacted by variations in the income of each social class. The purpose of the SAM presented here is to investigate how a typical demand shock has repercussions throughout the economy, not only in terms of activities most affected, but also in relation to the income distribution pattern of the whole society. A proposed exercise in this work is to quantify the economic and social response to a more intense income distribution policy: a reduction of taxes for the wealthier classes is thus compared to an increase in the volume of welfare programs (such as example, Bolsa FamÃ-lia program, created by the Federal Government in 2004).