

Policy Implications of the Maricá Basic Income Evaluation: Lessons from a Large Basic Income Study in Brazil

The [Maricá Basic Income Evaluation](#) is an assessment of a large basic income program in the city of Maricá, Brazil. A partnership between the Universidade Federal Fluminense in Niterói, Brazil, and the Jain Family Institute in New York, USA, the study examines the impact of the Renda Básica de Cidadania (RBC, or Citizens' Basic Income), an unconditional cash transfer program introduced in 2015, using proceeds derived from oil royalties.

The RBC benefit is paid in a local digital currency called the [mumbuca](#), backed one-to-one by the national currency, which can only be spent in Maricá, a city of some 200,000 residents located an hour outside of Rio de Janeiro. The program currently reaches approximately 93,000 beneficiaries among the city's low- and lower-middle-income households.

Unlike prior studies, The Maricá Basic Income Evaluation looks at a *permanent, large-scale policy*, not a *temporary, small-scale pilot program*. Moreover, the lack of conditionalities attached to the RBC benefit means that the research can study the effect of the cash transfers without needing to disentangle them from possible effects of conditionalities.

The central component of the evaluation – a quantitative study based on in-person surveys of more than 3,000 individuals – has just been released, offering many findings relevant to policymakers:

- **Beneficiaries saw a significant increase in income.** Recipient households showed a 9% increase (USD 104) in household income relative to non-recipients households. Consumption did not increase on a per capita level, but rose by 5% at the household level, indicating recipients use some of the increase in income towards consumption.
- **Broad and unconditional cash programs can provide outsized benefits to the most vulnerable.** While many policymakers have historically favored narrowly targeted programs in order to focus impacts on especially vulnerable groups, the study finds that Maricá's RBC program – which pays a fixed monthly amount to each individual recipient – had a larger positive impact on households headed by women, and on households with minors.
- **Maricá's basic income program may deliver health and education benefits without imposing conditionalities.** While conditional cash transfers programs impose conditions in exchange for receiving cash, Maricá's RBC does not. Nonetheless, the study finds suggestive

positive impacts on the health and education outcomes of beneficiaries' children, particularly an increase in hours devoted to school work and routine doctor visits. However, the effect is not robust to conservative statistical adjustments.

- **Recipients reduced their income and may have gained more control over their working lives.** The study, conducted during the COVID-19 pandemic, found a decrease of labor income by 17% (USD 79), but negligible reduction in hours worked. This reduction in labor income was less than the additional income provided by the RBC, so that total income actually increased. One explanation for the decrease in labor income is that household members changed to more desirable but lower-paying jobs. This may indicate that the RBC program was beneficial as a financial relief during the pandemic.

The findings paint a nuanced picture of the impact of an unconditional, permanent basic income on recipient welfare. Beyond these direct effects, the study raises a number of important policy questions:

- **What is the role of cash transfer infrastructure in times of crisis?** Having a well-established structure for granting benefits may facilitate the work of policymakers who only need to calibrate the size or frequency of benefits, dialing up during extraordinary situations like the pandemic or natural disasters, and later dialing back down. In the case of Maricá, the RBC program infrastructure enabled the city to dial up benefits during the pandemic and during acute flooding in 2022.
- **What are the benefits of coupling cash transfers to financial inclusion?** RBC benefits are granted through a city-supported community bank, the Banco Mumbuca, which opens a checking account for each beneficiary. This may enable recipients to smooth their consumption and access micro-credit services, opening up new space for inter-temporal planning and decision-making for a population with limited access to tools of this nature. At the same time, being restricted in where the benefit can be spent may have a welfare cost to recipients.
- **Can strategically designed cash transfer programs boost local commerce?** By requiring beneficiaries to spend their mumbucas in Maricá rather than in neighboring Rio, RBC's unique program design seeks to leverage basic income to promote local development. Companion studies have shown an increase in formal employment in Maricá compared to similar municipalities, especially during the pandemic. It is possible that increasing the size of the program, and thus the volume of mumbucas in circulation, could bring in additional employment expansion effects through macroeconomic channels.

More information about the study:

- The study was led by Sidhya Balakrishnan,¹ Roberta Costa,² Johannes Haushofer,³ and Fabio Waltenberg.⁴ The full team can be found at <https://www.maricabasicincome.com/en/researchers>.
- The RBC program was created in 2015 by combining previous municipal cash transfer programs. It was expanded in 2019 and again in 2023.
- To be eligible to receive the benefit, recipients must have lived in Maricá for three years; be registered in the Cadastro Único, the federal government’s unified social benefit registry; and belong to a household earning at most three times Brazil’s minimum monthly wage.
- Over the course of our study, conducted between September 2021 and April 2022, the program provided between USD 57 and USD 127 monthly to approximately 42,000 individuals.
- Our study surveyed 5,182 individuals, including 2,756 RBC recipients and 2,426 RBC non-recipients.
- The researchers employed a matching design to compare recipients and non-recipients, pairing households that received the benefit (the “treatment” group) with non-recipient households with similar characteristics (the “comparison” group).
- In addition to the quantitative survey, the Maricá Basic Income Evaluation included in-depth qualitative interviews with recipients and non-receipts (papers forthcoming), an [analysis and interactive visualization](#) of the circulation of the mumbuca currency, and an [edited volume](#) available in Portuguese and forthcoming in English, along with [other research outputs](#).

More information about the study and the RBC program can be found at www.maricabasicincome.com/.

The full working paper can be found at www.nber.org/papers/w33089.

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