

By Caroline Martin  
Specially for *O Papel*

# School Material Card could benefit 40 million students and inject R\$ 8 billion in the teaching material chain

Mortara: good education requires motivated students that stay in the school system, and school material must be perceived as part of the set of stimuli that facilitates this insertion

Access to ideal schooling conditions necessarily starts out with the purchase of adequate school material. In the daily school life, notebooks, pencils, pens, erasers, agenda and backpack are just as fundamental as school books when it comes to learning. In satisfying this demand, the majority of Brazilian cities opt to offer ready kits to students enrolled in the public school system. Even though they are handed out at no cost, the kits fail when it comes to satisfying specific needs, since they do not take into account the particularities or preferences of students.

In order to solve the problems stemming from the lack of personalization, Bill of Law 122/2013, presented by Senator Lúcia Vânia (GO), proposes the creation of the School Material Card. The bill suggests directly transferring these funds to beneficiaries of the Family Allowance and is also based on the use of an exclusive magnetic card for purchasing school material at licensed stores.

Fabio Arruda Mortara, national president of the Brazilian Printing Industry Association (ABIGRAF) and the Union of Printing Industries of São Paulo State (SINDIGRAF-SP), supports the initiative and defends its expansion to the entire public education network. "If this were universalized to all public school students, we're talking about 40 million kids, which corresponds to 20% of Brazil's population. With an annual allowance of R\$ 200 per card, on average, this would inject R\$ 8 billion in the teaching material chain," he said.

In an interview to *O Papel*, Mortara explains the reasons that make ABIGRAF believe in the creation of this card and lists the benefits for students and the printing industry.

**O Papel** – Where did the initiative come from to create the School Material Card? Why is it a better alternative than the current kits delivered through the public school system?

**Fabio Arruda Mortara** – The School Material Card follows a similar line of other government benefit programs, such as the Culture Coupon and the Family Allowance. It satisfies a basic need for building citizenship, which is the access to ideal schooling conditions and implies in providing adequate school material. Today, this need is predominantly satisfied by the distribution of kits. Several problems stem from this. First of all, the student who receives the kit – which notebooks come with a seal from the distribution authority, for example – is immediately identified as being "poor" by colleagues and begins to be stigmatized. There also exists distortions and waste, in view that the composition of kits is fixed. So, it just may happen that in a given year, a child possesses two backpacks because the one from the previous year is still in good condition, but he does not have an extra pad for taking notes, for example. The third point is that the child and family have no power of decision and choice. The kit is something that does not take particularities into account (such as a child being left-handed, for example, who needs a special pair of scissors) nor preferences (such as a pretty notebook cover), which could lead to greater identification with school. There is also the cost aspect: studies conducted in 2013 showed that the total price of the kit is individually higher than it would be if it were bought separately by the student, due to logistics and packaging issues. Lastly, the School Material Card offers other benefits, such as stimulating

local economies, especially bookstores, which do not participate in public bids and face strong competition from supermarkets in the sale of these items.

**O Papel** – How would the card function in practice?

**Mortara** – The student would receive a magnetic card with the value of the benefit and this card can only be used to purchase school material from registered bookstores.

**O Papel** – What is the current status of the project?

**Mortara** – There are similar initiatives in a few municipalities in inner São Paulo state, but the most important city to implement the idea has been Brasília, where the card was adopted in 2013 and benefits roughly 130 thousand public school students, as well as more than 200 licensed bookstores. We are monitoring closely Bill of Law 122/2013 presented by Senator Lúcia Vânia (GO), who proposes creating the School Material Card for directly transferring funds to Family Allowance beneficiaries and is also based on exclusively using the magnetic card to purchase school material from licensed bookstores. If this were universalized to all public school students, we're talking about 40 million kids, which correspond to 20% of Brazil's population. With an annual allowance of R\$ 200 per card, on average, this would inject R\$ 8 billion in the teaching material chain.

**O Papel** – In your opinion, what are the challenges involved towards approving the bill of law?

**Mortara** – The limited involvement of authorities has been a problem. To provide an example, in the public hearing held to discuss the bill, of the 32 House Members invited, only two attended.

**O Papel** – How does ABIGRAF and other participants in favor of creating the School Material Card intend to intensify this dialog in order to obtain approval from the federal government?

**Mortara** – The School Material Card is an important front on ABIGRAF's political agenda for 2014, in conjunction with other claims and actions, such as ICMS/ISS (VAT/Service Tax) double taxation, via the Bill of Law we have fought considerably for and was approved in the Senate and is now in the House of Representatives. We also recently filed with the Interministerial Public Procurement Commission a margin of preference request for purchases of books and Brazilian publications on the part of government bodies; we maintain the flag introduced at the last Congraf (that Brazil invest 10% of its GDP in education); we requested tax exemption on notebooks, school agendas and school material in general; management relative to reducing the importing of printing services and products - particularly

those made in a clandestine manner or in countries that are not based on civilized economic standards of democratic capitalism; PIS/Cofins exemption on the printing of books and newspapers, and tax load reduction on the packaging of basic food basket products. Regarding the School Material Card and all these other items, we are optimistic in relation to the possibilities of success, following three important victories obtained in 2013: extinction of the surcharge on import taxes for six types of printing paper; unburdening of the payroll for the packaging segment; and the possibility to purchase packaging using the BNDES card.

**O Papel** – Is it possible to measure the amount spent by each student on school material at the beginning of the school year? Is there any study that proves this value or shows an average of eventual increases over the last years?

**Mortara** – This year, Brasília is loading each card with R\$ 226, but this is still a piece of data to be detailed. Coherently, the amount should vary according to the cycle a student is enrolled and scope of purchase (whether it will include schoolbooks or uniform, for example). Excluding books, a student who is beginning to learn how to read and write consumes more school material than a high school student.

**O Papel** – In addition to benefiting students who will receive the School Material Card, how will the bill contribute to the printing industry, including manufacturers and suppliers?

**Mortara** – The purchase through bids open doors for unfair competition against imported products from countries with lower tax loads, less labor requirements and with little concern for sustainability of their processes and inputs. This is a serious distortion compared to the high tax load on Brazilian school material. In the printing chain, for example, school notepads pay roughly 40% in taxes, despite being IPI exempt, and school agendas are taxed 64%, on average. On the bookstore side, the complaint is that bids exclude retailers.

**O Papel** – Could the bill also strengthen the country's printing and writing paper segment? How?

**Mortara** – Abigraf believes that good schooling is the foundation for the social and economic development of a country. Brazil needs qualified professionals to gain productivity and recover competitiveness in the international scenario. Good education, however, requires motivated students that stay in the school system, and school material must be perceived as part of the set of stimuli that facilitates this insertion. And, of course, one can assume that more years of schooling result in a greater taste for reading, but it's not something that can be dimensioned. ■