

Assunto: Brazil's poor earning more, but still ignored

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Few countries can boast income inequality quite like Brazil. Now, current research shows that the incomes of low earners in Brazil have risen rapidly. But, will the improvements really help the country's poor?

The perception that social inequality has been declining in Brazil can now be backed up with data. A study from the Institute for Applied Economic Research (IPEA), a Brazilian institution that works closely with the national government, shows a rapid retreat in economic disparity over the last 10 years. Inequality is now at its lowest point since census data began in the 1950s, the researchers say.

During the period between 2001 and 2011, income levels for Brazil's poorest increased much faster than for the richest. The poorest 10 percent of the population nearly doubled their income during that time, while the richest increased their earnings by just one-sixth.

More than half of this development, the IPEA study claims, is due to wage increases and increased levels of formal employment. Since 2004, the number of traditional full-time contracts in Brazil has doubled.

Another factor is state redistribution channels through social programs and pensions. In combination, they account for a third of changing income levels.

"Redistribution is necessary," said economist and IPEA president Marcelo Neri. "Brazil cannot grow when it leaves 70 percent of the population behind."

Cash without chances

Berlin-based Sérgio Costa, directs a research network on Latin American inequality and has a different take on progress in his native Brazil. "Transferring earnings to those who have none does have political,

social and even economic effects", Costa told DW. "Still, it doesn't automatically make long-term advances for the lower classes possible."

He adds that the Brazilian government isn't paying attention to deeper structural elements. "In areas where state intervention is necessary, public investment is lacking," Costa says.

Education and transportation are sectors where such investments should be made, Costa believes. Those Brazilians who attend public schools, he says, are forever "damned" to remain in that social stratum.

Economist Lena Lavina of the Federal University of Rio de Janeiro is of the opinion that modern Brazilian society can achieve equality through investment in social infrastructure. But, while the Brazilian government disperses large quantities of money in the form of income redistribution, public works for education, transportation and healthcare have not risen at comparable levels she says. "The government forgets that people need not only money, but also chances," Lavina told DW.



Brazilian schoolchildren sit in a classroom in Monte Alegre, in Maranhao state

Big money, little change

Dawid Bartelt of the Heinrich-Böll foundation in Rio de Janeiro also suspects that the government is neglecting fundamental aspects of the country when doing their public spending.

"Education in primary and secondary schools is a catastrophe", he says. "It has barely improved since the Workers' Party took over 11 years ago. There are also serious problems in the healthcare sector."

When compared to income tax revenue, Bartelt believes, recently documented results leave much to be desired. "In absolute terms the rich have increased income levels by much more than the poor. There's huge potential in there to appropriate more funds in order to improve social services substantially and reduce poverty sustainably."

Sérgio Costa sees things similarly. "The improvements actually fall below our expectations by a pretty wide margin," he told DW in Berlin.