

Papers on the Social Mobility, Employment, and Income of Brazil's People: Selections from a Symposium

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As its people know only too well, Brazil's recent history is one of crisis following upon crisis. Newcomers to the Brazilian scene, perhaps underestimating its people's capacity to adapt or resign themselves to adversity, often seem even more apprehensive than each new threat may warrant. Some old timers, perhaps jaded by the long sequence of crises, may tend to underestimate these threats. In any case, the mere existence of crises is nothing new in Brazil.

Still, today's crises are of considerable interest. Some are of long standing: regional and individual inequality, the poverty of the Northeast, the rapid increase in population, the shortage of domestic fossil fuels. Some are the aftershocks of the continuing rise of manufacturing and industrialized agriculture. Some are new, such as the soaring cost of imported oil, the growing trade deficit, and today's extraordinarily high rate of inflation—100 percent or more per year. To these, newly articulated political and social goals are being added. Leaders of Brazil's authoritarian government, especially President Figueiredo, have added their voices to the call to return to parliamentary democracy. Likewise, more and more attention is being given to the inequality of income. And, suddenly, long latent industrial conflicts have become overt.

Among many other things, Brazil is the rich and the poor, productive export agriculture, alongside subsistence farming, and a burgeoning factory system. It is owners, managers, skilled workers, unskilled workers, and technologically displaced workers. Widespread underemployment is a fact of Brazilian life. So too is the nation's income inequality—one of the highest in the world. Yet its socioeconomic structure is anything but static. Not only is its production system modernizing with great speed, the fact is that intra- and intergenerational upward mobility rates are quite high, as Pastore (1979) has shown so clearly. So are the rates of rural-urban and interregional migration. Social mobility and

migration are some of the responses to economic growth and inequality. Social conflict is another.

The success of the move toward redemocratization will no doubt depend upon many factors. One is effectiveness with which disputes between labor and management can be settled to the satisfaction of all concerned. Such disputes are inevitable in industrialized societies. In advanced industrial democracies it is equally inevitable that such disputes will be overt. Totalitarian governments might be able to repress labor's demands. Democratic governments cannot do so—for long, anyway—without becoming totalitarian. If Brazil can develop workable new institutions for the more or less peaceful, non-repressive resolution of industrial conflict, its people may soon see a return to democracy. If Brazil cannot develop a conflict resolution system which is acceptable to management, labor, and government, redemocratization would seem to be a long way off.

This is the context in which the University of Wisconsin and the Foundation Institute of Economic Research (FIPE: Fundação Instituto de Pesquisas Econômicas) at the University of São Paulo decided to hold the Symposium on Social Mobility, Employment and the Income Distribution in Brazil. Supported by generous grants from the Inter-American Foundation, the Johnson Foundation of Racine, Wisconsin, and the Edward LaRoque Tinker Foundation, it was held at the University of Wisconsin in Madison, on 23-26 July 1980.

The sessions were intense, beginning early and lasting late. A total of 18 formal papers were presented, representing research efforts of 21 authors and their teams from various centers—the University of São Paulo, the Brazilian Ministry of Labor (Brasília), the Joaquim Nabuco Institute (Recife), the University of Minnesota, the University of Campinas (Campinas, São Paulo), Georgetown University (Washington), the Brazilian Ministry of Agriculture (Brasília), Yale University (New Haven, Connecticut), Michigan State University, and the University of Wisconsin. A number of other distinguished scholars, university administrators, government officials and foundation representatives also made significant contributions, mostly as formal discussants or session chairmen.

The Symposium papers selected for publication in this issue of the *Review* are illustrative of the main themes of the Symposium. Each paper is a self-contained unit. Yet they complement each other. It will be noticed that, again and again, questions or points raised in one paper are explained or elaborated in others. This was not the result of deliberate planning, but is a consequence of the high quality of the scientific research now being conducted on Brazil's socioeconomic system.

The paper by Murillo Macedo, Minister of Labor, sets the stage. In it he shows the present employment situation and the options confronting labor, management and government. The second paper is by Subbiah Kannappan of Michigan State University, an expert on urban labor markets in developing nations. His paper reviews the recent scholarly disputes over the size distribution of income in

Brazil in light of current thought regarding urban labor markets. Some of the important questions he raises are in fact answered by our other authors. In the third paper, Marcos Fonseca of the University of São Paulo attempts to refine our understanding of the changing shape of Brazil's income inequalities. Next, Roberto Macedo, also of the University of São Paulo, analyzes Brazil's wage drift and draws policy implications from it. Oil prices and their effect on income are the subject of the paper by Denisard C. O. Alves of the University of São Paulo and Arne Disch of Yale University. The sixth paper, by a Wisconsin-São Paulo team consisting of Manoel M. Tourinho, David B. Bills, José Pastore, and A. O. Haller, presents a detailed breakdown of the educational, occupational, and income levels of Brazil's adult population, according to their rural-urban and regional origins and destinations. The final paper of the series is by Clovis Cavalcanti of Recife's Joaquim Nabuco Institute. It provides an informative picture of the owners, workers, and customers of greater Salvador's thousands of tiny private enterprises, the so-called "informal sector." In other words, his paper shows how those of the urban poor whose jobs lie outside both government and the large private companies make their livings.

Yet interesting as the individual papers may be, a more complete grasp of the total picture of Brazil's urban and rural working classes—their income, changing inequalities, their experience, the macroeconomic forces affecting them, and the dilemmas and options confronting government which might serve to ameliorate or to undermine their situation—may be gained by reflecting on the implications of all the papers.

Before closing this, we must extend our thanks to a few of the many individuals who, though not authors of these papers, have worked hard and enthusiastically to prepare them for publication, and earlier, to make possible the Symposium from which they were taken. Especially noteworthy have been the efforts of Rochelle Reimer, Barbara Forrest, and Judith Gunn. Thanks, too, to João Sayad, Director of the Foundation Institute of Economic Research (FIPE: University of São Paulo) who coordinated FIPE's cooperation in conducting the Symposium; to José Pastore, whose efforts behind the scenes were essential in all phases of this work; and to Thomas Skidmore, who is Director of the Ibero-American Studies Program at Wisconsin and as co-editor of this *Review* has been a constant source of support. Many others—university professors, administrators, and office personnel—made indispensable contributions. Though anonymous here, their efforts are also appreciated.

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