Brazil: Poverty and Inequality in the 1970s

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This paper presents selected results from a research program on variations in the socioeconomic structure of Brazil.

We begin with a few remarks about the geography and population of Brazil and go on to focus on three sets of recent findings about the nation's socioeconomic structure. The first will summarize findings on the nation's socioeconomic microregions; the second, the macroregional patterns of social stratification as they stood in 1973; the third, changes in the incidence of extreme poverty over Brazil's growth decade of the 1970s.

Geography and population.

Land. Brazil is one of the largest nations in the world today. With a land surface of 8.7 million square kilometers (3.3 million square miles), it is roughly the same size as the United States, Canada, and China. To illustrate its size, all of France would easily fit within the borders of any one of Brazil's six largest states.

People. By 1980, its population was over 110 million, making it one of the most populous nations on the globe. In fact it is 50 percent more populous than any European country west of Russia. Some of its states are giants. For example, at over 25 million people, Brazilian state of Sao Paulo is larger than any American state, including New York or California, not to mention many independent countries.

Economy. At the beginning of this decade Brazil's economy was ranked as the world's tenth largest — the eighth largest market economy. In some ways, its economy resembles that of China and India. Its population, too, is generally poor. Yet there it has the resources needed to mount advanced systems of science and technology and is doing so. The similarities may end there. Today it would seem that the main impediments to Brazil's development are a shortage of oil and coal on the one hand and a poorly educated population on the other. Partly because it has modernized much of its farm production, its export agriculture is a significant factor in international trade. Its export manufacturing is now also entering the scene.

Main Regions. Most of the population — nine out of every ten people — lives in a band of coastal and near-coastal states south from Ceara, within about 400 miles of the Atlantic shore. The area in which they live comprises about two-fifths of the nation's land surface. The other tenth or so of the people live in the vast western and northern regions — three-fifths of the total area that comprises the Underdeveloped Frontier. Brazil's Amazon forests are part of the Frontier, and indeed Brazil's Amazonas alone is so large that were it a separate country it would be the ninth largest in the world.

The Northeast is a second major sociological region. It could be said to run from Ceara through Bahia and Espirito Santo, including about two-thirds of Minas Gerais. About 30 percent of the population live there. It could be called the Underdeveloped Northeast, for many of its people are among the poorest anywhere.

The Developed South is the last of the three basic sociological regions, also comprising a fifth of the nation's territory. It includes about three-fifths of the population. Practically all its manufacturing and most of its capital-intensive farming are located here. The nation's new capital, Brasilia, stands just about at the junction of the South, the Northeast and the Frontier. Five of the nation's ten largest cities are in the South. Three are in the Northeast. Brasilia is the other. The city of Sao Paulo stood at 8.5 million in 1980, Rio de Janeiro at five million.

Uniqueness. Though it is part of South America, it is separated from almost all its ten next-door neighbors by distance, language and culture. Actually, for all practical purposes, Brazil's long borders would be said to touch developed regions only in the South, at Uruguay, and a bit of Argentina and Paraguay. The language, too, is different from those of the nations comprising the other half of South America. The official language is Portuguese and it is in fact the first, and usually only, language of almost everyone. The nation has strong ties to the United States, Portugal, France, Italy, Germany, Britain, and Canada, and to various peoples of West Africa. Racially and nationally, its people are mixtures of Portuguese, Indian, Negro, Italian, German, Japanese, and others in almost all imaginable combinations, the original cultures now practically all merged into a rather homogeneous, distinctive Brazilian culture and society.

Projection Abroad. Despite its size and vigor Brazil does not seem to have impressed the rest of the world very much as yet. Of course, its soccer is well known, and at least a few people have come to appreciate its creativity in music and literature. Its greatest projections, however, are still to come. The growth in its reputation will probably follow the growth in its export economy and the emergence of the political leadership it seems destined to assume in the years ahead. But whatever the route, it seems certain that within the next ten to twenty years Brazil's already significant position among nations will
become obvious to everyone. Now we turn to new findings regarding Brazil's socioeconomic structure.

Socioecological Macroregions:

Reference has already been made to the three major socioregional entities comprising the country—the Amazon frontier, the developed South, and the remaining areas. The latter is the relatively well-developed South, stretching from lowland equatorial rain forests in the North, along the coast, through tropical plains in the mid South, Brazil's natural ecology ranging from the most inhospitable to the most salubrious. Then, too, regional economies and ethnic cultures developed from the widely separated settlements that came into being near the shore two or three centuries ago. So in a way, regional variations have always been obvious. Serious research on them began at least forty years ago, and has led to the appearance of several books or the region. Several regional constructs exist, and are used for various purposes. Actually they do not differ very much. With a few exceptions, they are sets of contiguous states separated by state borders, no doubt in recognition of the power of certain states. Usually they turn out to be about five in number. The Northeast — sometimes larger, sometimes smaller — is always the North. It is always considered to be another. The Center-west is a third. The popular, prosperous South is divided into upper and lower regions — the “North” and the “South East,” or “Center South.” Not only do these domains ecological areas, but as least as important, they separate poor macroregions from those that are well-to-do. Actually, it cannot be said that the official macroregions vary systematically by socioeconomic development (SED). But they come close. Brazilian families use them to help devise region-wide development strategies.

In recent years, researchers have tried to refine the classification of Brazil's socioeconomic macroregions. They have not been successful and a careful examination of their procedures shows why. There are two reasons. First, unclear as to the exact criteria by which to measure development, some researchers have included any illegible variable, assuming that a factor analysis of the raw data set of variable correlations would automatically yield a clear picture of the underlying SED variables. Actually, this obscures the measurement of salient variables selected by factor analysis. Analysis of the resulting matrix of scores or each of the eight variables taken on each of the 360 microregions yielded a clear single factor. From this, a macroregional SED scale was developed. The SED scale provides a score for each microregion. The range is from 100. Lower research showed development to be highly variable within each macroregion. Further, the South is divided into those parts of the great states of Bahia, Goias, Mina Gerais, and Para, among others, that are located in tiny ecological areas, but as least as important, they separate poor macroregions from those that are well-to-do. Actually, it cannot be said that the official macroregions vary systematically by socioeconomic development (SED). But they come close. Brazilian families use them to help devise region-wide development strategies.

Recently, the research region grouped Brazil by methods designed to correct these mistakes. SED was measured by variables selected for clear theoretical reasons. 1970 data were used. Each initial variable had to be a perceivable measure of either 1) a key economic development variable, or 2) an item from the pool of well-known indicators of familial socioeconomic status. Eight such variables were selected. To get around the problem of overestimated small units. SED measures were analyzed at the level of census region groups. Analysis of the resulting matrix of scores on each of the eight variables taken on each of the 360 microregions yields a clear single factor. From this, a macroregional SED scale was developed. The SED scale provides a score for each microregion. The range is from 100. Lower research showed development to be highly variable within each macroregion. Further, the South is divided into those parts of the great states of Bahia, Goias, Mina Gerais, and Para, among others, that are located in tiny ecological areas, but as least as important, they separate poor macroregions from those that are well-to-do. Actually, it cannot be said that the official macroregions vary systematically by socioeconomic development (SED). But they come close. Brazilian families use them to help devise region-wide development strategies.

Microregional Patterns of Social Stratification:

The five newly identified macroregions can be used to determine how social stratification varies among regions that differ markedly from each other according to the level of socioeconomic development of the people in the microregions composing them. The research team has used the Brazil's 1973 National Household Sample survey data for this purpose. This was a national probability sample of nearly 30,000 households, containing nearly 80,000 persons aged ten or older. Among the main reason for the analysis was to test widely accepted hypotheses about the effect of socioeconomic development on stratification — previously untested hypotheses that nonetheless are widely accepted. In this presentation, however, the results are used merely to indicate how stratification varies with development among Brazil's macroregions.

The term “social stratification” refers to society's more or less enduring pattern of inequality among persons and families regarding prestige, privilege, and power; in other words, regarding social standing and access to goods, services, and information. Among its other objectives, stratification research today has two central descriptive aims. One is to measure variations in the stratification systems. The other is to determine how status attainment occurs. How individuals are stratified requires an understanding of how people get where they are in a society. The research team was interested in learning: Is the stratification system more open in the developed South than elsewhere? Is the northeast indeed more stratified than other parts of the nation, as many seem to believe? Is there some special sense in which it is more stratified? Indeed, it may be that any of the most interesting questions about stratification that the students of stratification would like to answer are ones that center on the development of the societies.
with each other, would be highly stratified. That is, a weakly stratified system would be one in which a person's position on any one status variable would not be much affected by his position on any other educational, occupational status and income would not be highly interrelated.

According to this view, Brazil would be one with a high degree of status dispersion, a low degree of circulation mobility, and a high degree of crystallization. A weakly stratified system would be the opposite. Thus the relationship between the development level and structural degree of stratification among Brazil's SEDE macroregions may be determined arraying the SEDE within the general framework of the following: the structural degree of stratification exhibits in the least developed areas. (Actually, we shall see in the conclusion to this section that there is a bit more to it than this for this form of analysis yields an unexpected finding whose overall explicative significance seems instructive)

The relationships between the two main functions are as follows: the degree of stratification is highest underdeveloped "inner" Northeast. The intermediately developed areas are also intermediately stratified. Yet both stability and hierarchy seem to have the greatest effect on status attainment in the most developed. Structurally highest stratification the Northeast is so weakly stratified. Neither is it sufficient to account for the general description.

The Northeast is the most developed of Brazil's many regions. It is characterized by a high level of economic development, a large urban population, and a developed transportation network. The region is also known for its high level of education and literacy. However, despite these factors, the Northeast is not considered to be highly stratified.

The Northeast is often referred to as the "Inner Northeast" and is characterized by a strong tradition of stratification, which is reflected in the region's social and economic structures. This is due to a combination of historical factors, such as the legacy of slavery and its aftermath, and more recent developments, such as the concentration of economic power in the hands of a few large landowners.

In contrast, the less developed regions of the country, such as the "Outer Northeast," are characterized by a lower degree of stratification. The relative lack of economic development and the presence of large landholdings contribute to this lower degree of social inequality.

The Northeast is faced with a number of challenges, including poverty, unemployment, and lack of access to basic services. However, the region has also shown a strong capacity for adaptation and resilience, and there are efforts underway to address these challenges through policies aimed at promoting economic development and social inclusion.

In conclusion, the Northeast region of Brazil is characterized by a high degree of stratification, which is a result of its historical and economic development. While the region has faced many challenges, it has also shown a strong capacity for adaptation and resilience, and there is hope for continued progress in the future.
rest of the nation seems less so. The systematic differences plainly distinguishing each macroregion from every other and are far greater between the two Northeastern macroregions on the one hand and all the remaining three on the other hand. Within each of these two, the distribution of each variable is skewed. Even among those who fall near the bottom of the bottom distribution, it is as a rule skewed. The masses really are at or near the bottom, and the minority who are higher stand in sharp distinction to each other. For every variable, the lowest of values (zero years of education, the score of rural hand laborers for family income) is by far the modal group (even when the largest single groups are below 31 percent for other macroregions. Even there, though, mostly people are concentrated at low levels, but not at the abysmally low point characteristic of Northeasterners. Moreover, there are clear tendencies toward polymodality on each variable for macroregions. Those who are highest in the south are lowest in the northeast, where almost everyone is on the cusp. This then is the answer to why the Northeast is widely believed to be particularly highly stratified through measures of the most often used concepts show them not to be the apparently weak stratification of the Northeast is an "equality of the out." Practically everyone is on the bottom. Those who are above it in plain contrast to everyone else.

There has been a tour-de-force into the relation between macroregional socio-economic development and the degree of stratification in Brazil. It would appear that on the whole the more developed the region the more stratified it is, yet frontier conditions tend slightly to lower the degree of stratification, making life a bit more egalitarian — at least for awhile. It also seems that part of all or at least the northeast the sense so stratified because its population is concentrated at the bottom of the regional (and national) stratification system, making those who are higher stand out by comparison. Could this exaggerated, but only too understandable, perception that Northeastern stratification is especially rigid be reasonable for some of the recurrent tensions of the region or might they due to destitution itself?

Poverty in the Growth Decade of the 1970s.

It is widely understood that although increased in Brazil from 1960 to 1970. Popular belief would have it too that the benefits of the economic growth of the 1970s went into the pockets of the well-to-do, driving the increasing numbers of the poor even deeper into poverty. Poverty is indeed deep and widespread within Brazil. Every region has large numbers of extremely poor families, as is obvious to all but the most sheltered tourists. One does not have to be a statistician to realize that millions of people are destitute. This did not happen overnight, as far back as economists have calculated — in fact, until recently — the average income of Brazilians was low by present world standards. Where the average is low, the poor are many. Even today relatively few Brazilians are in a position to visualize the vast Brazilian social mosaic, fewer still the foreigner who visits Brazil and who has not been able to be found in the rural areas, and did not attract much attention. But this has changed as the cities swelled, attracting and generating large numbers of poor people. Today Brazilians are more conscious of the depth and extent of the problem.

Deep poverty is not easy to describe because the human phenomena the realities do not lend themselves to facile classification. One can distinguish, however, between relative and absolute poverty. Relative poverty exists wherever inequality exists, probably in every nation in the world. One is relatively poor when someone else has more. Absolute poverty's anathema is not only a matter of some nations or only a matter of income, although the latter is a problem in the absolute sense. But it is not therefore any the easier to describe. For example, mass media portrayals of those in absolute poverty — the destitutes — are useful, even though they are dehumanizing. They represent theultimate as those whose every meal is problematical, who live in hovels or sleep on the streets, who scavenges refuse and garbage cans for food, who lack the means to avoid or treat illnesses, who eat, drink, and breathe pollution. Statistical descriptors are less dramatic. The very nature of the measurement, underemployment and the fact that the absolute poverty level is a persistent state in which a family's resources are so meager that survival itself is in daily jeopardy.

In another project led by Dr. José Pastore, the research team has just concluded a statistical description and demographic censuses of Brazil provided by the Brazilian Institute of Geography and Statistics. By present estimates, which seem quite reliable, the drop was from 44 percent of all Brazilian families in 1970 to 25 percent in 1980. This is a great deal of progress, but far from enough, and there are still many obstacles to be overcome. 

Economic Growth: Brazil's economic growth has been sufficiently documented in recent years. It has even been called the "Brazilian Miracle." From 1948 through 1976 the economy grew at a rate of seven percent per year, far in excess of the 2.7 percent population growth rate. This involved immense transfers of population. From 1970 to 1966, the rural portion of the population increased by 49 percent and the urban portion by 31 percent. Of this latter increase, the share in urban areas increased by 30 percent. During the decade, the number of people living in urban areas increased by 42 percent. Data for personal income per capita across the decade are not immediately available. The research team has estimated the average annual increases of real per capita disposable income between 1972 and 1976 to be about $1,456 dollars of 1973, or about $120 per month. Macrogenetic differences were great, from a high of $150 per month in the South to a low of $45 per month in the underdeveloped "inner" Northeast. Perhaps the most telling data available for 1970 and 1980 is the growth in the economically active population (EAP). About 20 percent of the EAP is normally under-employed, but almost none were unemployed. Unemployment in the industrial sense seems to have emerged in Brazil for the first time during the 1980s. So increased in the EAP show the rate of growth in population from 1970 to 1980, the EAP grew at an average rate of 4.01 percent per year, far above the rate of population growth for the same period, 2.49 percent per year. All in all, the data suggest that jobs became much more plentiful and that the minimum wage kept just about the same buying power over the decade (actually increasing slightly). So Brazil's economy expanded vigorously over the decade, generating employment for a constantly increasing proportion of its growing population. For the bulk of the population, this did not yield prosperity, of course. Far from it, indeed it seems to be widely, though erroneously, believed that the benefits all accrued to the well-to-do, who spent them on consumer novelties.

The Incidence of Extreme Poverty. The incidence of extreme poverty among the 93 percent of Brazilian households that were family-based dropped dramatically over the country. This conclusion is drawn from the research team's calculations. It is based upon the statistical analysis of the aforementioned public-use samples of the 1970 and 1980 demographic censuses. Poverty measure is defined, along with those in non-familial households. A familial household was defined to be in extreme poverty if its total reported income came to one-fourth of a minimum wage per capita (26.5R$), as indicated above. This is a measure of absolute, not relative poverty, and those at or below this level may fairly be described as destitute.

The data are presented in Table 1. They show that the change in the incidence of destitution.

<table>
<thead>
<tr>
<th>Statistic</th>
<th>Year 1970</th>
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<tbody>
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<tr>
<td>Number</td>
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<td>4.4 million</td>
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<tr>
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<tr>
<td>Percent</td>
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<td>7.3 million</td>
</tr>
<tr>
<td>Number</td>
<td>2.7 million</td>
<td>4.5 million</td>
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Based upon persons living in familial households. Original calculations from public-use samples of the 1970 and 1980 demographic censuses of Brazil provided by the Brazilian Institute of Geography and Statistics.
sent research teams, especially those based at the University of Wisconsin and the University of Sao Paulo, have made extensive use of mass data collected and recorded, as these were, by the Brazilian Institute of Geography and Statistics (IBGE). So the current research, like much of the other work in this field, is based on the collection of data that has been gathered in Brazil itself, no serious question has yet been raised about the quality of the census data. The consensus of those who have employed IBGE's mass data-sets over the last 15 years or so suggests that the levels are on balance as reliable as the best available in the more developed nations of Western Europe and America. Two questions are raised about the 25 MR/k cutting point. Does it identify families in extreme poverty? Does it work equally well over Brazil? Regarding the first, it is clear that any family at a low level of income would indeed have difficulty in maintaining itself. A family of four who earned one MR would have only about $2.00 per month to feed, clothe, and otherwise support each of its members. So there can be little doubt about the $2.50 per month. The other hand, no doubt large numbers of people over this line are also poor. Thus those identified as destitute doubt are so, but many others may also have been close to that level in both 1970 and 1980. Regarding the second point, there are two major factors that might raise the poverty line by a $5/4 MR/k cutting point: region and rural-urban residence. In point of fact the standardization introduced by the use of minimum wage probably negates the effect of region. The effect of rural versus urban residence is harder to assess. There is evidence that caloric intake was a bit higher in rural areas in the mid-1970s. The average level of nutrition did not meet minimum FAO standards in either case. But health and other survival factors are scarcer in the rural areas. In other words, the criteria may mask rural-urban varia-
tions in the survival values implied by the criterion. But if so may be unreasonable and not likely to be of much consequence. Practically speaking, this means that measurement error due to rural-urban population shifts between 1970 and 1980 is probably negligible. The overall conclusion to be drawn is that the incidence of deep poverty did in fact drop at a fast rate over Brazil's 1970s economic growth decade.

Why Poverty Fell. The basic reason why this rapid decline has been occurring is that the economy grew and much of the...The final comment is that though poverty has declined quite dramatically in Brazil, it remains widespread. Indeed the current world economic crisis could exacerbate this. Yet, it now seems clear that most economic growth policies can decrease the inci-
dence of poverty, and that national research on the topic can provide the data by which many of the processes we call "poverty" can be understood. General Conclusions. This paper has provided the chance to view certain socioeconomic variations of a great nation. Though still impoverished by current world standards, it is large, vigorous, and growing. In decades to come it may well expand into its new empty frontier, and the exact forms of its socioeconomic development trajectories will no doubt change. The South, its periphery, and the Frontier will surely take their development levels. This process will no doubt take longer in the two north-easterns. New forms of stratification will doubtless also emerge. One would guess that inequality as measured by the researcher might well increase everywhere, assuming that development in fact proceeds. Poverty may well continue to decline. If so, and if national world conditions do not intrude, Brazil's dream of prosperity may become more nearly approachable. Brazil's main socioeconomic problem today is not inequality. It is poverty, and its solution is economic growth. Yet other evidence presented here suggests that economic growth may also increase social stratification, if so, then some inequality might present new challenges to Brazilians. Haller, Archibald O., 1982, "A socioeconomic regionalization of Brazil." Geographical Review 72 (October): 450-464. Pastore, Jose, 1982, "Ethnicity, Poverty, and Social Mobility in Brazil." Madison: University of Wisconsin Press. Haller, Archibald O., 1980, "Changes in the structural dimensions of status." Rural Sociology 35 (December): 469-487. BRAZIL AND RIO DE LA PLATA PAGE 71