

***Change: yes, we also can!

The presidency of Barack Hussein Obama, who mixes American, African and Muslim name, surname and blood, to lead the most powerful nation in the world is a historical step that we had the privilege to watch. America lived apparently unsolvable racial conflicts over 50 years ago. Obama is the proof that the so-called American revolution is still alive and changing as it gains new social shapes. The American and French revolutions were fundamental examples and precedents of the largest transformation experienced by humanity: the 20th Century. Authors like Maddison and Fogel show us unequivocally that income gains, life expectancy and human rights in the 20th century were superior to any other phase in the human existence. I do not have the space here to detail these advances, but there is no doubt that the past century saw the most notable transformations in living conditions. I refer to record change rates, and not only about the levels of these variables, which reflect the accumulated changes from previous periods. The Obama campaign slogan Yes, We Can! Seems to fit in like a glove to the 20th Century. But what about Brazilian society? Has it remained laid out “in the splendor of nature” (“deitado em berço esplendido”).

Just as the French relate the blue, white and red colours to their revolution ideals: liberty, equality and fraternity, were we to relate attributes to our flag’s green and yellow, what would you choose? I would say: diversity and inequality. Inequality is the Brazilian feature that has remained untouched through the centuries. Yellow refers to the gold extracted first by native Indians, then by African slaves – the last to be freed in the Western hemisphere. Brazil is a country unequal not by nature, but by our own collective choice.

The Brazilian diversity, in its turn, is inherent to each one having been compared to a melting pot of mixed ethnicities, creeds and religions. Insistently, we repeat, as if to convince ourselves, that there is no discrimination here. In our pseudo racial democracy everyone has the same skin colour, as we shall refer here: shades of green. The green of our forests; a secondary colour resulting from the combination of yellow and blue, captures the Brazilian diversity. Only that in Brazil the darker shades of green are used to living in slums and take the rear entrance of fancy buildings of a lighter shade of green. In France, diversity is a concern but of a different nature where it is not difficult to find French citizens who will say “Vive la France! I want to remain isolated; I want to maintain my own culture”. The Brazilian diversity’s green is mixed inside each one and not in primary colours separately in different people.

Diversity and inequality are Brazilian marks – but just how do we deal with these two features? We are currently a mestizo country. Data clearly shows that blacks and mulattos are poorer. The likelihood of a person who reports to be white also being poor is 49% smaller than a black person’s and 56% smaller than a mulatto’s. That is, less than half. Even when comparing people with the same attributes – living in a slum in Salvador, Bahia - except race, the odds of a white person being poor is 29,4% smaller than a non-white. One cannot ignore the darker tone of the Brazilian population’s skin.

We are among the most diverse and unequal countries in the world. But the truth is that dealing with inequality and diversity did not change much in the last century – in fact, the delay in abolishing slavery in the country in the 19th century has persisted in the following century reflected in our underdeveloped policies and public services, of which education is perhaps the most important representative. In the first half of the last century, after slavery was abolished, there was a belief that Brazil would turn naturally through time into a nation of mestizos. As a matter of fact, the share of African-Brazilians in the population dropped through the decades: 14,64% in 1940 to 10,96% in 1950 and 6,21% in 2000 according to the demographic censuses. Conversely, the share of mulattos follow an opposite trend growing from 21,2% in 1940 to 26,5% in 1950 and 38,9% in 2000, which confirms the impression of a boiling pot of mixed races.

There are strong recent innovations in the current century, both in terms of inequality as well as racial diversity. Let’s see: the racial innovation of the current decade refers to an increase in the share of African-Brazilians, that went from 5,58% in 2002 to 7,46% in 2007 (it was 5,35% in 1991) reversing the trend from previous decades. This increase also takes place among mulattos: from 40,5% in 2002 to 41,8% in 2007 (it was 40,1% in 1992), although in this case the historical trend has remained the same.

The growth of the participation of African-Brazilians in the total population in the 2002-2007 period was 5,98% per year, almost twice as much the accelerated change in the 1940s! If this transformation keeps taking place at the same rate for another five years, the participation of the Brazilian black population in

2012 would be the same as in 1950! In other words, the trend of change of the last 50 years was reversed in 5 years. This exercise reveals the magnitude of change in the answers about race in the surveys in Brazil. In the particular case of the share of mulattos this rate was 0,63% per year between 2002 and 2007, in the same direction, but at a slower pace to the 0,78% per year observed in the 1950-2000 period. As if there has not been any demographic revolution in the period, or a change in the PNAD/IBGE, the increase in the share of blacks in the population seems to be a change in the way that individual answers are reported. We noted a movement of similar intensity in the PME/IBGE.

Now, what has been different in Brazil during this period to justify this change in racial behaviour? As it has been previously discussed in this column, there has been a marked reduction of income inequality in Brazil. The income inequality reduction was the strongest (in fact, the only one persistent) in the Brazilian social statistics since 1960. Is there any relation between the decrease in inequality and the change in diversity? How have social-economic data open by race changed? Data reveals that in the 2002-2007 period the average annual growth rates were stronger for African-descendants. Let's see: average income from all sources (black 3,78%, mulatto 4,8% e white 2,8%), education (black 3,39%, mulatto 3,71% and white 2,44%), average income excluding income from work – that is, retirement, pension, social programs, etc. (black 4,96 %, mulattos 5,52 % and white 2,92%).

The expansion of social programs focusing on the poor helps to explain in part the reduction in the Brazilian income inequality. Data above shows that income which excludes work increased more in the case of African-descendants, but we have to be more specific. Take Bolsa-Família: the biggest example of income transfer innovation, which today reaches out to 25% of the Brazilian population. The Bolsa Familia as a program targeting the poor tends to be pro-black, because poverty in Brazil is more black than white. My second argument here is that Bolsa-Familia is pro-black also because as it seeks the poorest, it naturally finds the black people (which are poorer than white). But there is something beyond this. Bolsa Familia has a pro-black bias beyond the fact that it is a pro-poor program. In the PNAD supplement, among the people with the exact same features such as gender, state, education, size of town, slum-dweller, etc and in particular per capita income, African-descendants have a 10% greater probability of accessing Bolsa Familia than the white population. It is as if the Bolsa Familia had an in-built affirmative action pro-blacks which surpasses the great poverty of this segment. The probability of the black population to access Bolsa Familia – just as in the Bolsa Escola of Cardoso – is bigger, while older programs, are less pro-poor as in the case of BPC. Now, why is that, since there isn't an explicit affirmative racial action in these grants? It may be that in the case of a pro-poor policy, the person carries in his own skin the apparent colours of poverty, hence being easier to argue that he is poor before social assistants and social program managers. The same type of effect happens to the slum population who can more easily show their poverty. This could explain why self-reported black ethnicity has grown among the general population, and in particular, the poor. The fact that a black person (as well as a slum dweller) can more easily demonstrate their poverty would generate a somewhat facilitated access to programs that are explicitly pro-poor. The question is that in Brazil not only are black people poorer, but they may seem poorer to the eyes of a focalized policy. Could it be that because the public policy in Brazil has focused on the poorest, it has changed the way Brazilian report their own ethnicity in household surveys? Or, does that reflect the current discussion about racial quotas? (Sowell book talks about it in other international experiences). Alternatively, this change corresponds to a spontaneous change of the so-called “racial pride”.

Maybe, in the end, there is not a causal link between the two facts explored here, but they deserved to be studied isolately for their implications for the design of public policies, namely: i) Brazilians in general – and the poor in particular – have increasingly reported themselves as black; ii) Bolsa familia reaches relatively more the black than the white people. The first point indicates the weakness of the race concept reported in the household surveys. The second point may indicate that the radical attack against inequality benefits the poor black and mulatto population more than the poor white population, which constitutes a sort of implicit racial affirmative action. We begin to experience remarkable changes in income inequality with some reductions in the race differences. In what refers to the intertwined inequality and racial diversity, the beginning of this century suggests that “change, yes we can!”. The fundamental question is how to implement it. See data on: <http://www.fgv.br/cps/pesquisas/race.htm>