

World news

Poverty in Brazil diminished under Lula, says study

RIO DE JANEIRO — The proportion of poor people in Brazil fell more than 19 per cent between 2003 and 2005 to 23 per cent of the population under President Luiz Inacio Lula da Silva's government, a study has showed on Friday. The research by the Getulio Vargas Foundation, covering the first three years of Lula's administration, comes as Lula bids for re-election for a second four-year term.

Lula has a commanding lead in opinion polls, riding a wave of popularity powered by rising incomes, low inflation and growth in welfare for the needy. The study said Brazil had met its so-called Millennium Goal of reducing extreme poverty by half by 2015 some 10 years early. Since the early 1990s extreme poverty — with a \$1 per day income as a benchmark — has dropped from 18.7 per cent and now afflicts 5.3 per cent of the Brazilian population.

Brazil's notorious inequality in income distribution has also ebbed, the study showed, but still, the richest 10 per cent of the population received about half of per-capita income. There were around 42.6 million Brazilians below the poverty line in 2005 out of a total of 187 million, it said. People making less than 121 reais (\$55) per month were considered living below the poverty line.

Economist Marcelo Neri said Lula's government had a good start fighting poverty and inequality but the numbers were still far from the goal set by President Fernando Henrique Cardoso, whose second term saw setbacks in that sphere. "We need to know how to sustain this on," Neri said, adding that a reduction in poverty levels this year had already been guaranteed via an increase in welfare for the poor and a bigger number of families covered, as well as a 13 per cent rise in real minimum wages amid tame inflation. Rural areas have a share of the poor population, 45.7 per cent in 2005, while in big cities the rate is 16 per cent. — **Reuters**
