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More than any other Brazilian city, São Paulo can serve as a witness of Brazil's strengthening economy. Luxurious commercial buildings being raised everywhere, high-class homes being built all over the city, subway lines

expanding at an astronomic pace, brand new cars packing up the streets.

Add to this a huge industrial production increase, following decrease in the number of bankruptcies and record sales of electronics, especially computer and cell phones. São Paulo is showing that Brazil has finally decided to get out of the emerging economy shell, to assume its role as one of the world's leading economies.

The huge flow of prosperity has allowed food supply chain Pão de Açúcar, for example, to profit 60.4 million reais (US\$ 38.3 million) in the second quarter, 119% more than in the same period last year. Record numbers never seen in Brazil's history. For those who may not regard consumerism as a truthful indicator of economic growth, some new statistics may change their perspective.

According to the IPEA (Advanced Applied Economics Institute) and the FGV (Getúlio Vargas Foundation) reports, the number of Brazilian families living below the poverty line - whose income is equal or inferior to half minimum wage (US\$ 288 monthly) - decreased from 35% to 24,1% in the largest metropolitan areas of Brazil, which are São Paulo, Rio de Janeiro, Belo Horizonte, Porto Alegre, Salvador and Recife.

The number of wealthy Brazilians has also increased, which means that families whose income surpasses 40 minimum wages (US\$ 10,256) jumped from 0,8% to 1%.

It is estimated that in 2008 there are 11 million Brazilians living below the poverty line. Back in 2002, popular national news magazine Veja revealed that this number was approximately 50 million, of which 23 million lived in extreme misery. The numbers released by IPEA and Getúlio Vargas Foundation show a significant change in Brazil's economy, in the short period of six years.

The study also indicates that the Brazilian middle class now represents close to 51% of Brazil's population. Back in April 2002, this number was 44,19%. The Getúlio Vargas Foundation defines as middle class, those Brazilian families whose earnings vary between R\$ 1,064 (US\$ 682) and R\$ 4,591 (US\$ 2,942) per person, monthly. The research included data provided by the IBGE (Brazilian Institute of Geography and Statistics).

According to Márcio Pochmann, IPEA president, the expansion of the economy, the introduction of social services programs and a series of policies applied towards those in need were the major factors that benefited Brazil.

Despite the good news, there is however some skepticism. For Ladislav Dowbor, Professor of Economy at PUC (Pontifical Catholic University of São Paulo), there is no reason for celebration:

"I have followed the economic politics, and for the very first time I can see we are making steady economic and social progress, however it is still tragic where we are at. We still continue to have an income concentration gap, which is simply indecent when compared to other countries," analyzed the professor.

But not only ordinary Brazilian citizens have profited from the prosperity influx. Brazilian politicians have also achieved huge gains, according to a study released by Transparência Brasil - a non-government agency interested in more transparency in Brazilian politics.

Politicians from major metropolitan centers, says Transparência Brasil, have expanded their assets by more than 46,3% in a short period of two years. The data was compiled based on assets declaration released by 180 aldermen, 255 senators, along with House representatives and state assemblymen.

Other numbers are changing Brazil's face of what was once a underdeveloped nation. According to Professor Alex Abiko, a University of São Paulo Professor, in interview with the United Nations Radio in Porto Alegre, the number of favelas (shantytowns) have also increased in the last 10 years.

"The phenomenon called favela is increasing at higher pace than the population in the cities. Cities with no favelas 10 years ago now have them. This phenomenon reveals the government inefficiency to deal with housing alternatives for low income families," Abiko explained.

According to a United Nations prediction, by 2050 there will be approximately 50 million Brazilians living in favelas. The Getúlio Vargas Foundation and Ernst and Young consultants don't see such a scenario. Ana Maria Castelo, from the FGV, believes that the favelas will be extinguished by 2030, considering the number of investments taking place at this time:

"The housing inadequacy deficit will be extinguished and only a few will remain in this situation by choice," offered Castelo. "The actual growth of more than 4% yearly of our Internal Gross Product, and decrease in housing financing interest are some of the variables to be considered," she concluded.

The Civil Construction Industry Union, however, does not believe such prediction and alerts: "With no government subsidies, it will be impossible to resolve the housing deficit in the country."

Whether some issues will persist or not, Brazil still keeps on attracting investments, the most recent one announced by PepsiCo, which is promising an investment of 100 million dollars in the country.

**Edison Bernardo DeSouza is a journalist, having graduated from the Pontifical Catholic University in São Paulo, Brazil. He lived in the US and Canada for close to 10 years and participated in volunteering activities in social works agencies. DeSouza currently lives in São Paulo where he teaches English as a Second Language, and is pursuing further advancements in his career. He is particularly interested in economics and human rights articles.**