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Income Grew Faster in the Lower Classes Last Decade, Shows Survey

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Rio de Janeiro – Things have been changing in Brazil over the last decade. A survey entitled, “Income Inequality in the Decade,” published last week by the Getulio Vargas Foundation (“FGV”) showed just how much has changed and what kind of changes are taking place.

The survey found that in Brazil the income of people who are illiterate grew by 47% between 2000 and 2009. At the same time, the income of people who completed high school actually declined slightly. The study also showed that the incomes of dark-skinned Brazilians grew more than twice that of white Brazilians over the past 10 years. In the first group, income was 43% higher and in the second, the growth was 21%. And it was in the eternally poor and backward Northeast region that per capita income rose most significantly – up 48%.

The research coordinator at FGV, Marcelo Neri, attributes the results to the reduction of inequality in the country by over 50% during the last decade. “Inequality in Brazil is at a historic low. It is still unacceptably high, but inequality in Brazil is falling and the poor have been enjoying Chinese-like growth for some time, even while the economy as a whole has shown moderate growth,” declared Neri.

For example, the FGV survey shows that during the last decade, in Maranhão, the poorest state in the survey, income grew 46%, whereas in São Paulo, the richest state, income growth was only 7%. According to Neri, educational and social programs were mainly responsible for poverty reduction in most cases

[note: the exception being the sharp rise in income among illiterate Brazilians. However, that is easily explained by government subsidy programs, such as Bolsa Familia, which promote income redistribution through direct money payments to the very poor].

According to the survey, the income of working-age women rose by 38% during the study period while income growth for men was only 16%. “Women are more present in the workforce and are working more hours. This growth is reflected in increased income. Another factor that contributed somewhat to this result is that women receive more Bolsa Familia benefits than men do,” explained the FGV economist, Marcelo Neri.

Allen Bennett – translator/editor The News in English

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