BRIC: RESEARCHERS CONFIRM BRAZIL?S PLACE ON HAPPINESS SCALE

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RIO DE JANEIRO, Jul 6, 2011, 2011 (IPS/GIN via COMTEX) -- The reputation of Brazilians as cheerful, happy-go-lucky people is starting to be reflected in the cold reality of statistics. A study has put numbers to that state of well-being by quantifying the significant reduction in social inequality in the last few years, an area in which South America's giant has outdone other emerging nations.

The study, "Os emergentes dos Emergentes", presented by the Getulio Vargas Foundation's Centre for Social Policies with support from the Inter-American Development Bank, compares Brazil's economic and social performance with that of Russia, India, China and South Africa, the other members of the so-called BRICS group of nations.

These emerging countries are home to over half of the world's poor. But according to investment bank Goldman Sachs, by 2050 the combined size of the BRICS economies will exceed that of the Group of 7 richest countries.

Based on data from the Gallup World Poll 2009 on "the degree of life satisfaction," the coordinator of the study, Marcelo Neri, compared the "happiness index" of the BRICS countries, and found that on a scale of 0 to 10, Brazil has a rate of 8.7, South Africa and Russia 5.2, and China and India 4.5.

"We outdo the other countries on this," Neri said in an interview with IPS. "But furthermore, Brazil is the only BRICS country that improved its global happiness ranking, moving up from 22nd in 2006 to 17th in 2009."

Joking about the Brazilian tendency to declare Brazil "o mais grande do mundo" (the greatest in the world), the economist quipped that although this country forms part of BRICS, what really makes him happy is being "one of the BIG," referring to the countries that have won the greatest number of World Cup football championships - Brazil (five), Italy (four) and Germany (three).

Joking aside, what has made Brazilians happiest is neither football nor their world-famous carnival, but the dizzying rate at which the poor have been leaving poverty behind since 2003.

One of the things the study seeks to identify is whether macroeconomic growth is felt by the common citizen, and which segments of the population it has benefited in each of the BRICS countries.

The study reports that since 2003, some 48.7 million Brazilians have pulled out of poverty.

The millions of people who climbed into the middle class during the government of left-wing President Luiz Inacio Lula da Silva (2003-2011) were able to do so thanks to the country's economic stability, the expansion of formal sector employment, and government cash transfer programmes like "Bolsa Familia", Neri said.

"It's as if an entire Spain or Argentina had left poverty behind and joined the middle class," said Neri, who added that he was surprised by "the size of the new consumer class."

"It's a gigantic contingent of people who are being incorporated into the market," he said, which would explain, for example, the recently proposed merger between Brazil's biggest supermarket chain Pao de Acucar and French retailer Carrefour.

"Many people now want to eat more, and better," he said.

According to the study, category C - people with monthly incomes between 750 and 3,233 dollars -

is now the biggest in Brazil, comprising 55 percent of the country's 191 million people.

Referring to the socioeconomic categories of A through E, the researchers describe those in category A as having a minimum monthly income of 4,215 dollars, while the income level in category B is 3,233 to 4,215 dollars, C is 750 to 3,233 dollars, D is 468 to 750 dollars, and E is below 468 dollars.

The study also says the appearance of "a new emerging class in an emerging country" is taking place in a context of astonishingly fast reduction in social inequality. Brazil is the BRICS country that, although it has not grown at the same rate as the others, has best redistributed wealth, the statistics show.

One indicator of that, Neri said, is that household income grew annually at an average of 1.8 percent faster than GDP, while in China household income grew more slowly than GDP by approximately the same proportion, in the 2003-2010 period.

"Microsocial questions are improving more than macroeconomic indicators, unlike in the other BRICS countries," Neri said.

Since 2003, for example, the income of the poorest 50 percent of Brazilians grew 68 percent, while the incomes of the wealthiest 10 percent grew just 10 percent.

Brazil also had the second-best rate of annual household income growth among the poorest quintile of the population, with an increase of 6.3 percent, after China (8.5 percent), and followed by South Africa (5.8 percent) and India (one percent).

"Social inequality is falling in Brazil, while it is rising in the other BRICS countries," he said.

The economist cited the cases of China and India, where it is the best-educated and highest-earning portion of the population that is seeing improvements.

In Brazil, by contrast, the growth is felt by the unskilled and less-educated who have often served as virtual slave labor as domestics, restaurant or construction workers, or rural laborers - groups that have now begun to join the formal labor market.

Economist Adhemar Mineiro of the Inter-Union Department of Statistics and Socioeconomic Research (DIEESE), a research centre that supports trade unions, attributes these results to the increases in the minimum wage and, to a lesser extent, to the cash transfer programmes implemented since 2003, when Lula became president.

"What is apparently happening in Brazil, partly driven by these policies, is an enormous expansion of credit for consumption, and thus a broadening of the category of 'economic citizens' or consumers," Mineiro, who is also an adviser to the Trade Union Confederation of the Americas (TUCA), the largest regional workers' organization in the Americas, told IPS.

But the economist also pointed to a political and historical factor: "In Brazil, after many years, a period of democracy in politics has finally coincided with a cycle of economic growth, which hadn't occurred since the second half of the 1950s."

Mineiro warned, however, that there is "a bit of overconfidence" in the idea that the population that is leaving poverty behind "almost immediately becomes a kind of new middle class." He said other components, not just economic but sociological and anthropological, must also be taken into account in this phenomenon.

"It is essential to see whether, as this process continues, the expansion of consumption actually becomes an engine of economic growth, generating a long-term structural process...or whether the conservative sectors will insist on integrating the country into the world market as an exporter of farm and mineral commodities, as up to now," Mineiro said.

Despite the growing optimism and "happiness," Neri also admitted that Brazil still has a long way to go, because 24 million Brazilians are still excluded from the economic benefits.

A long way to go to change the logic of a famous Brazilian song by Vinicius de Moraes and Tom Jobim, whose chorus says "Sadness has no end...but happiness does".