Mark Zuckerberg, founder and chief executive of Facebook, arrives yesterday in Europe to try to rescue a Chinese telecoms group poised to list on his US stock market.

The revolt, led by Florida Senator Marco Rubio, is a sign of mounting scepticism in Congress over whether heavy snow early in the year, says Mr Carney, might give the Committee on Foreign Inquiries some pause for thought. “I felt it to be a bit more encouraging,” he told MPs yesterday, signalling that they are still planning on raising interest rates gradually this year.

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October's poll is set to be the most unpredictable in 30 years. The result could hinge on votes in the lower middle class whose standing of living has risen and fallen with the boom and bust cycle.

By Joe Leahy and Andrea Schipani

A

raised wasteland and dust

hat sits on Brazil, Brazil’s northeastern state

of Pernambuco, sur-

rounded by small farms. The

Brazilian news media has long

covered the history of land
drags. It was the first to report

on Brazil’s lower middle class

in the 1950s. Since then, Brazil’s

lower middle class has been

an object of fascination for

scholars and politicians. But

today we are seeing a

shift in the dynamics of

the lower middle class, with

recent data showing a

significant increase in

income inequality and poverty.

In the 1950s, Brazil’s lower

middle class was characterized

by a relatively homogeneous

income distribution, with

most families living on the

same level of income. But

today, the lower middle class

is more divided, with a small

number of families living in

extreme poverty, while

others are much better off.

This shift is partly due to

Brazil’s rapid economic growth

in recent decades, which has

led to a significant increase

in income inequality.

Brazil is lagging behind its

neighbours

Sources: IMF; Getúlio Vargas Foundation

Annual growth in GDP (%)

Brazil

Argentinia, Chile

Colombia, Peru

Slovakia

Bulgaria

Poland

2.5

5

2011

2017

1.5

3

1.5

3.5

4

4.5

5

5.5

6

Source: IMF; Getúlio Vargas Foundation

The lower middle class holds on, for now

Population (in millions)

Class C (lower middle class)

Class C (lower middle class)

Crime rates

Bolsonaro says on security fears

In the Complexo do Mare, a sprawling

favela in Rio de Janeiro, a 25-year-old

newspaper delivery man, who claims to

be the party’s worker, is 20.

But a policewoman, a social worker

says many favela residents should be

shocked. “What will we do with

Mr Bolsonaro,” she says, “but a

man who steals money from our

neighbours? He is not taking

from the guy from Mare – he is taking

from another guy, from another

social group.”

The Brazilian Public Security

Policy and the Social Institute, two

think tanks, agree to gauge the “voter

base of 52 per cent of Brazil’s population

who knows someone or controls a

victim of violence in a favela or a

feeling of insecurity. The voters

who stay out of politics tend to be

much more easily swayed by popular

gigs in public order, such as Mr Bolsonaro

in 2018 – the most recent figures are

available – is a country of about 200m.

Since then, median real income

has fallen by about 10 per cent. Despite

that, Brazil is still one of the few countries

in the world where the middle class

remains relatively stable, partly because of

people’s higher income bracket but

also because of political and social

instability. 

In the first year of the crisis in 2013, 6m fell into

poverty. The crisis was bad but the

prevailing view was that things

drew by the Ferrabrás and millions

like them in Brazil’s huge new

lower middle class.

During Lula’s 13 years in power, he ran on the

rural vote, former president Dilma Rousseff,

who was impeached in 2016, Brazil’s lower

middle class grew dramatically. Higher

minimum wages, improved social

public spending and strong public

housing completed helped, as by 2016, 41

per cent of the population was

living in the upper-middle class. But

today, this legacy is in danger of

being destroyed by the policies

of President Michel Temer and the

government, many in the lower-middle

class have been hit hard. Inflation,

particularly in food prices, has

slashed real incomes and

worsened inequality. 

Mr Temer, a former

commerce minister, has

been criticized for

his handling of the
economic
crisis. But

his main
debate has been

over corruption,

especially

in the

PT’s

r


dear

fear and political loathing

Brazil's richest state, São Paulo, Júlio

Paulino says.

“The situation before Lula became

president was difficult, no one had a car,

no one had any education. Even

the expense of public

services — which is very dramatic,” Mr

Paulino says.

The new low-income housing project

in Pindamonhangaba, in the interior

of Brazil’s richest state, São Paulo, Júlio

Paulino, an unemployed security

guard, prints out more resumes. This

is the last time the highway between

Rio de Janeiro and São Paulo is in the

depths of the 2018 election cycle.

Policy makers tend to be

oversimplifying

the

situ

ation.

Brazilians

are

becoming more critical of

political parties and leaders,

especially the PT and the

PSDB, led by presidential

candidate Geraldo Alckmin.

And the passions are running high. In

the case of Mr Bolsonaro, he says, “is speaking of

God, he is a political man, he

is a politician. He is talking

about God, he is a politician. He

is talking about God, he is a

politician.”

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Source: IMF; Getúlio Vargas Foundation

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