

Brazil's income inequality hits highest since at least 2012

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RIO DE JANEIRO - Brazil's income inequality in 2018 reached its highest level since the start of the national statistics series in 2012, according to data released Wednesday, reflecting an economic downturn that's taken an outsized toll on the poor.

Data from the national statistics agency showed the so-called Gini coefficient used to measure inequality is at a level just above that registered in 2012. Marcelo Neri of the Getulio Vargas Foundation university said increases from 2015 to 2018 represent a reversal from prior years of "inclusive growth."

"There is the effect of unemployment, but it's not just that. The data show lower salaries of people who are employed," Neri said. "The poorest lost more salary, and during the whole period there was a certain lack of social safety nets for the poorest."

Brazil suffered a devastating recession in 2015 and 2016 that sent unemployment surging into the double digits. Since then, growth has averaged just over 1% annually, a far cry from the robust activity during the global commodities boom of the previous decade. The International Monetary Fund expects growth below 1% this year before Latin America's largest economy gains steam in 2020.

Indeed, leading data show the trend of widening inequality continued into 2019, Neri said.

In 2018, the richest 10% of Brazilians accounted for 43.1% of national income, up from 41.4% in 2015, according to the statistics institute. The poorest 30% of Brazilian earners saw their incomes fall from 2017.