

Brazilian Middle Class Expands As Economy Surges

by JUAN FORERO



Enlarge

Peter Breslow

Teresina Lopes Vieira da Silva sells spices and peppers from a street stand in the tough neighborhood of Rocinha in Rio de Janeiro. But she also supplies upscale restaurants and has been able to buy two homes for herself. She credits a robust business environment — and two government-backed loans — for her good fortune.

model for the developing world.

On a recent day in Rio de Janeiro, Renatta Mancini walks amid brightly colored skirts and blouses at the Cantao store in the city's snazziest mall. A buyer for the upscale store, Mancini says business is good. She says the store's clothing designs show originality and the highest of quality.

That quality is a trademark at Alan Roberto Lima's small sewing shop on a narrow residential street in a rough neighborhood far from Rio's glitz.

Lima, 34, is big and stoic — characteristics that served him well in the past, when he was dealing cocaine. But Lima says he turned to fashion a few years ago when he took stock of his life. He started by making T-shirts and shorts in his home.

It helped that Brazil was then beginning its economic transformation, and Lima praises the government for putting the economy on track — and keeping it there.

Lima calls it a revolution.

More In The Series

Brazil Pins Hopes On Massive, Untapped Oil Fields
Dec. 1, 2009

That revolution means Lima has joined the middle class. He owns a house and a car, and he is selling clothes to some of Rio's trendiest shops, including Cantao.

Lima says he is now thinking of creating his own clothing line once he makes an investment in newer, more modern machinery. He even dreams of owning a shop in Rio's wealthy south, right on the beach.

Brazil, with a land mass larger than America's lower 48 states, was always said to be on the cusp of prosperity. Yet, one crisis after another held it back: hyperinflation, oil shocks, the Asia crisis, devaluations and defaults.

But today, Brazil is surviving the global economic downturn better than just about any country in the world. Once again, the economy is poised to grow by 5 percent.

Political analysts say Lula's steady hand has won admirers the world over. That was never more apparent than in October, when Rio was awarded the 2016 Olympic Games.

Economists say Lula has been a responsible steward of the economy, following the lead of his predecessor, Fernando Henrique Cardoso, who tamed inflation.

Nonetheless, Brazil remains a country with desperate poverty and, in its poorest slums, untold violence. And the country's business climate is far from perfect: Economists say an overbearing state bureaucracy makes it a slog to start a business. Roads and ports need vast improvements. Corruption is still a scourge.

But despite the red tape, businessmen are bullish about the country, which has embraced globalization.

November 30, 2009

text size A A A

First in a three-part series

The cruel joke about Brazil was that it was the country of the future — and always would be. But now, Brazil is meeting its potential like never before.

Impressive economic growth, a booming commodity sector and the country's popular government are receiving worldwide attention. The country's center-left president, Luiz Inacio Lula da Silva — who as a boy shined shoes on the street — has led a crusade against poverty.

Innovative state programs, along with the economic growth, are lifting millions of Brazilians into the middle class and making the country a

Brazil is now the world's eighth-largest economy, and that growth is trickling down — with 8.5 million jobs created since 2003, and 32 million people joining the middle class, according to Marcelo Neri, chief economist at the Center for Social Policies at the Getulio Vargas Foundation, a private think tank.

"Brazil is really having a wonderful time now, in terms of collecting, harvesting very good results. We used to say that Brazil is the country of the future. The future is now, it's going on, it's occurring now," Neri says.

But it's not just the healthy economy that is helping Brazil's masses. Programs such as Bolsa Familia provide food payments to millions. In exchange, recipients must make sure their kids are in school. There are also low-interest loans for new homebuyers and for small businesses.

One of Rio's most forbidding districts is Rocinha, which has a reputation as a tough *favela*, or slum. But it is also filled with opportunities: New businesses are cropping up, and old businesses are doing better.

Teresina Lopes Vieira da Silva sells spices and peppers from a street stand. But she is not just a street vendor: She has a successful business selling to upscale restaurants.

She credits a robust business environment — and two government-backed loans — for her good fortune. She says the loans helped her buy supplies in bulk, meeting the demands of her customers. Over the years, she has saved up to buy two homes.

She is not the only one making purchases.

The Ponto Frio appliance store in downtown Rio is filled with shoppers. In practically all major stores in Brazil, buyers are offered credit at low interest rates.

Dulcinea Fejeira bought her first computer two months ago. Now, she is looking for a new fridge.

Brazil is much better now, she says, adding that Brazilian friends who had created new lives for themselves in New Jersey, Florida and Italy are coming back.

Fejeira recalls growing up poor, and how she and her family toiled away to pay for her education. Now, she is a psychologist and, she says proudly, a member of Brazil's expanding middle class.

Radio story produced by Senior Producer Peter Breslow

comments

Discussions for this story are now closed. Please see the [Community FAQ](#) for more information.

Recent First



Marcos Taquechel (marcos9999) wrote:

It's great that Brazil is enjoying an economic up swing. I feel excited for Brazilians who are for the first time enjoying a taste of some inclusion and participation. So far so good but I'm not impressed yet. Let's not forget that only a few years ago with the stabilization of the Real under Fernando Henrique's government, Brazil was also in the up swing. Even though more people had money in their pockets the country as a whole did not improve. No investments were made in the anemic and decaying infra-structure. I will feel hopeful when I see large amounts of moneys being spent in building schools, hospitals, roads, investments on security and so on. Is Brazil doing that? I don't know. The only social project I hear is the "Bolsa Familia" which may lift the poor of the poor but in the end will be hand out money at best and pork at the worse once its gone. Moneys come in and out of Brazil and that is not a unusual but nothing is left when is gone. This is one more opportunity to change the game. Will the powerful Brazilian elite allow this to happen? A Brazilian size question.

segunda-feira, 30 de novembro de 2009 08:31:54

[Recommend \(4\)](#)

[Report abuse](#)



Michael Mulligan (zxy) wrote:

As a child I dreamt of brasil, Amazonia and the atlantic rain forest. A place where life was rich and a naturalist could get lost in the green. I lived and worked in Brasil for many years. I arrived after the ranching boom and prior / during the soy boom, this article is just another reminder of all that the world has lost thanks to lula's desire to emulate the U.S., yet try to be a tough little man in the world. The only difference between lula and bush is that bush was not born into poverty, but in the long run both will have made their nations much poorer.

segunda-feira, 30 de novembro de 2009 04:39:00

[Recommend \(2\)](#)

[Report abuse](#)