

MORE UNEQUAL ALL THE TIME?

LE MONDE
*diplom*atiqu**e** BRASIL



centro de estudos da metrópole



OXFAM
Brasil

LET'S TALK ABOUT INEQUALITY?

BY KATIA MAIA*



Inequality is an ongoing challenge for society because it is complex and subject to different readings by people in their own daily lives, in different cities. Inequality raises the issue of poverty. The social reproduction of inequalities intensifies poverty, and a strategy to confront it must look at both.







At the last meeting of the Davos World Economic Forum, in January 2016, Oxfam published its report “An Economy for the 1%,”¹ showing that the richest 1% of the world’s population now owns more wealth than the other 99% (see Infographic 1, p. 3). The report also discusses how power and privilege are used to skew the economic system to increase the gap between the richest and the rest, and recommends that world leaders take a number of steps to tackle the problem. The global inequality crisis, in short, is reaching new extremes.

Considering that 62 individuals have assets worth US\$ 1.7 trillion, the same wealth as 3.6 billion people – the bottom half of humanity, we perceive how the concentration of wealth gives these elites great influence over the rest of the world.

It is crucial to understand that inequality emerges in different aspects of people’s lives, that it affects the majority of the population and that only a minority benefits from such an accumulation of wealth and power. We also see specificities in Brazil, where the ongoing legacies of colonization and slavery still make access to goods, services and public facilities highly unequal, especially for the black population and, above all, for black women.

In 2014, the United Nations Food and Agriculture Organization (FAO) reported that hunger was no longer a structural problem in Brazil. This happened because major new social policies have targeted

INFOGRAPHIC 1

 <p>62 INDIVIDUALS</p> <p>Have as much wealth as the world's 3.6 billion poorest individuals.</p>	 <p>US\$ 542 BILLION</p> <p>The rise in the wealth of those 62 richest individuals since 2010.</p>	 <p>US\$ 1 TRILLION</p> <p>The fall in the wealth of the world's 3.6 billion poorest people since 2010.</p>
 <p>1%</p> <p>Since 2000, the poorest half of the world's population has received only 1% of the increase in global wealth.</p>	 <p>50%</p> <p>The proportion of the increase in global wealth since 2000 that has gone to the top 1%.</p>	 <p>\$ 3</p> <p>The average yearly increase in the income of the poorest 10% of people in the world.</p>

extreme poverty. The data, however, are somewhat contradictory, since Brazil is the world's 14th most unequal country² in terms of income distribution and is only better than eight other economies³ in terms of unsolved urban problems such as income, adequate housing, urban mobility, public safety, etc. In other words, despite recent progress in fighting poverty with social programs and income transfers, and even with legal victories such as the City Statute, Brazil remains one of the world's most unequal countries.

Inequality in Brazil has impacts in various social, cultural, political and economic aspects, but it is in the urban peripheries, *favelas* and poor neighborhoods far from city centers that it is truly stark. The official (IBGE) 2010 census shows 84.35% of the population live in urban areas and only 15.65% in rural areas. That ratio means the situation of cities is at the core of discussions on inequality and poverty in Brazil. In São Paulo, for example, only a small share of people enjoy the city's services and quality of life.⁴ Freedom of movement is still not fully a right for part of the population, especially in those regions more susceptible to violence. This problem mostly affects young people, especially black youth who suffer from murder rates comparable to war zones.⁵

Just as Josué de Castro⁶ identified hunger as one of the country's major challenges in the 1940s, today what we see is the geography of inequality. People's conditions have been territorialized

into what we might call territories of inequality, which determine whose right to the city will or will not be respected. One's social position, therefore, is also territorial. Inequality is not a natural, but rather a social construction.

When naturalized, inequality institutes the power of social oppression. The mechanisms that reproduce inequalities must be laid bare for civil society to be able to confront them as an active citizenry, to ensure gender justice, racial equality, human rights and more democracy.

Tackling inequality globally and domestically is humanity's greatest challenge in the 21st Century. Today's most important social and environmental problems, including climate change, are linked to inequality. We can reduce and overcome inequality, but only if we strengthen social participation and mobilizations to change public policies.

This booklet, prepared by a partnership of *Le Monde Diplomatique Brasil*, Oxfam Brazil and the Center for Metropolitan Studies (USP), aims to help discussions on various dimensions of inequality, such as income, education, race, gender, urbanism and public safety. We hope this material can open new arenas for dialog and strengthen civil society's mobilization strategies. ●

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1 Available at: <https://www.oxfam.org/sites/www.oxfam.org/files/file_attachments/bp210-economy-one-percent-tax-havens-180116-en_0.pdf>.

2 *Human Development Report*, UNDP, 2013.

3 *World Economic Outlook*, IMF, 2015.

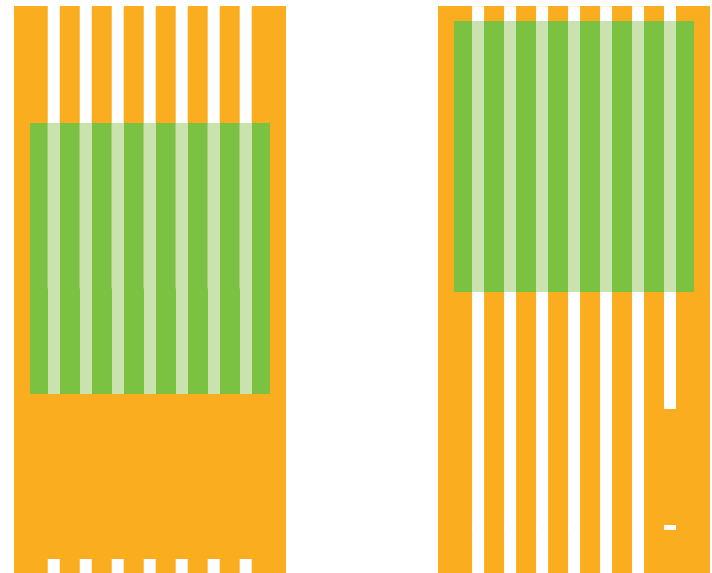
4 Available at: <www.nossasaopaulo.org.br/portal/arquivos/Quadro_da_Desigualdade_em_SP.pdf>.

5 Amnesty International Brazil, "Queremos ver os jovens negros vivos – Infográficos". Available at: <www.youtube.com/watch?v=u747pzxJLf0>.

6 Josué de Castro, *Geografia da fome: a fome no Brasil*, O Cruzeiro, Rio de Janeiro, 1946.

IS THE GLASS HALF EMPTY OR HALF FULL?

BY MARTA ARRETCHÉ*



The world champion in inequality became a show case for poverty reduction. Now Brazil raises eyebrows again, with its prolonged political and economic crisis. The outcome of the crisis may be uncertain, but we can at least look back and discuss the social sustainability of our victories.

There are many ways to look at inequality. Our responses depend on the yardsticks we use.

Thomas Piketty's yardstick – the percentage of total income appropriated by the richest 1% – gives Brazil's richest about a quarter of total income. They also pay about 1.8% of that income in taxes. By that yardstick, Brazil is facing the same problem of growing income concentration observed worldwide. There are thus good reasons to expect that economic recession, unemployment and high interests rates will soon increase inequality as well.

Even so, there are other yardsticks to measure social distance. Brazil's inequality is not just the distance separating the 1% from the 99%, but the distances within the 99% as well.

To understand this other yardstick, we can look back at the history of inequality. In 1985, with the return to democracy, inequality was also the division between insiders and outsiders. Labor laws only protected workers in the formal labor market, i.e. only an estimated 40% of the work force. Registered employment was a pre-requisite for retirement and public healthcare. Some 60% of workers, therefore, were excluded from the protection of labor laws and any chance of

retirement – precisely those with less schooling and precarious jobs. The outsiders helped pay the benefits of the insiders. Under the import-substitution model, in a closed economy, the cost of social protection for insiders was shifted to the prices of products and paid for by all consumers.

The abundant supply of low-skilled workers was a major incentive for low-tech industrialization, meaning no stimulus to provide schooling for the population at large. In an example of self-reproducing disadvantage, the impacts of family income on access to education meant that in 1980 only half of 12-15 year olds had four years of school, while some 20% of those from 16-18 had eight years of school.

The map on this page was drawn using a synthetic indicator, combining data on the share of the non-poor population and the percentage of households with electric power, piped water and sewers, based on Brazilian census data. The map shows that, in the 1970s, poverty in Brazil was a relatively equal affair – except for more industrialized areas in southeastern Brazil – due to the generalized paucity of both income and services. During the 1965-85 military regime, industrialization brought economic growth and an expansion of services, but at the price of a major divide between the country's rich (South and Southeast) and poor (Northeast and North) regions, i.e. a territorial concentration of the excluded. Following some attenuation by 2000, in 2010 the configuration was entirely different from what we had seen 20 years earlier. That process is not due to any isolated factor,

but rather emerged from a combination of demographic shifts, market forces and policies to include (former) outsiders.

Changes in the reproductive behavior of poorer women, leading to lower fertility rates, shut down the demographic source of an abundant supply of young poor people in the labor market. Meanwhile, expansion of schooling reduced the weight of social origin on schooling. It is highly unlikely that those changes will ever be reverted. One of the pillars of inequality in Brazil – the abundant supply of low-skilled labor – is therefore behaving differently today, favoring the compression of wages on the labor market.

Another set of policies enabling the inclusion of (former) outsiders came from a constitutional amendment that allows retirement pensions for non-contributors, indexed to the minimum wage, and from universal, free access to public health and education, all of which created a safety net to protect the very poor.

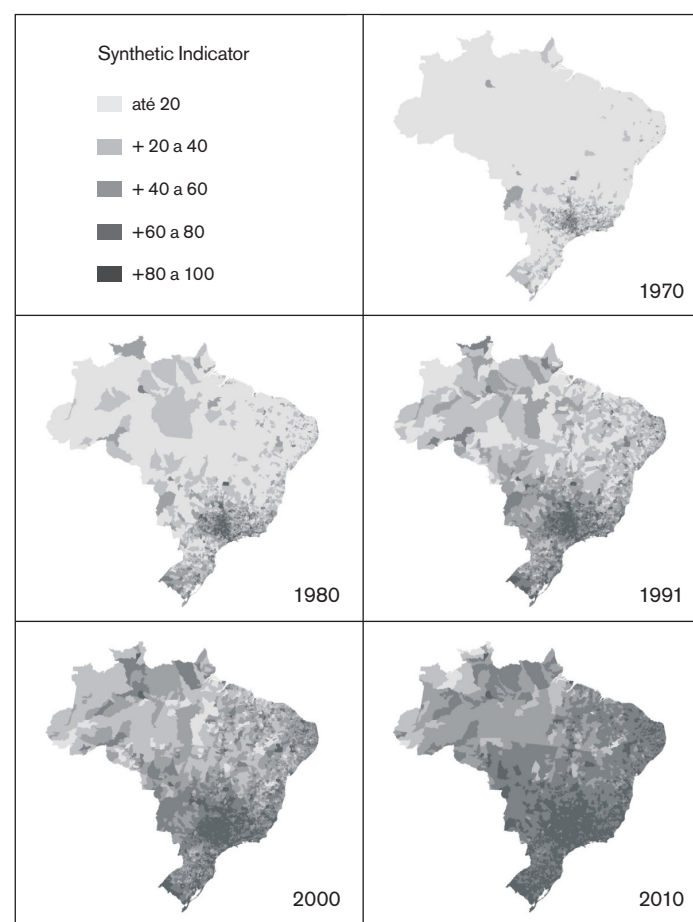
The constitutional amendment grew out of a broad consensus, achieved during the democratic transition, that democracy could not be sustained without policies for social inclusion. The politicization of extreme poverty and inequality, pushed by progressive forces, put the issue on the political agenda.

That consensus may now be eroding, with the growing mobilization of conservative groups. On the other hand, about 80% of total voters actually vote, making it quite likely that poor people will turn out at elections. Beneficiaries of pensions and benefits indexed to the minimum wage, and of universal health and education services, constitute a large number of people whose votes can be decisive in majority elections. Severe income concentration means that conservative parties cannot rely on employers and the middle class alone to elect them, although their platforms run against labor and social security legislation. Left wing parties, on the other hand, with the decline of the urban industrial sector, cannot limit their mobilizing efforts only to skilled, organized workers with bargaining power in the labor market. In this context, conservative and left-wing parties end up converging to meet the demands of voters at the base of the social pyramid. This is why bills on the real value of the minimum wage, as well as education and health, are generally approved by the majority of parties, often by unanimity.

No one knows if today's political parties, their structures and the way they compete will survive the present political tsunami, but those groups of voters and their preferences will not disappear. There can be no vacuum in politics, and it only remains to be seen which political parties will represent those interests in the future.

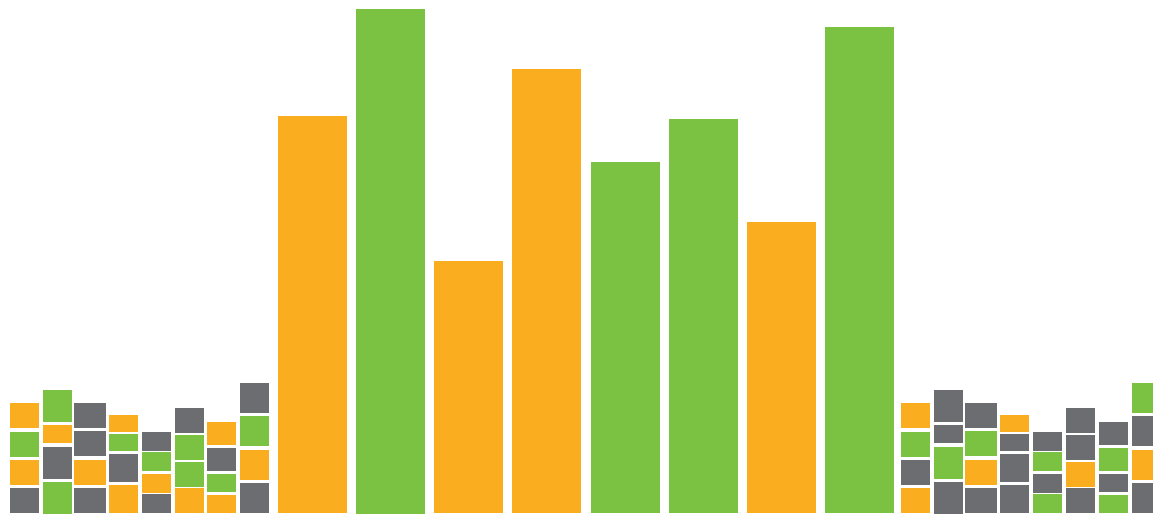
Market forces are producing worrisome signs, especially with regard to international commodity markets and interests rates, which in the 2000s were favorable to economic growth. Demand for employment increased workers' bargaining power and favored both higher wages and more tax revenues, with no need for unpopular new or higher taxes. That period is behind us, however, as social pressures now strain revenues and intensify redistribution conflicts. Since each of those factors has its own dynamic and with no chance of them converging again in the same way, there is no way back to the past. ●

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URBAN INEQUALITIES

BY EDUARDO MARQUES*



Recent decades have raised enormous challenges to the improvement of urban and living conditions. This is not only due to low economic growth, vulnerable poor populations and large regional differences, but also to the speed of urban transformations, as the urban population soared from 13 million people in 1940 to 31 million in 1960, 80 million in 1980 and 160 million in 2010.

The outcome of those processes must be assessed with care, avoiding extremes of either optimism or of despair. Base level living conditions vary considerably depending on the size of the city and the region of the country. Such heterogeneity relates to the limited presence of federal public policies aimed directly at cities, as opposed to social policies where federal regulation has contributed to greater

homogeneity. Despite undeniable progress in recent years, major challenges still include capacity building for local authorities, funding (at various levels) and the regulation of urban land and of the private companies involved in service delivery and concessions. These general conditions also vary depending on which components, policies and dimensions we consider.

A first general dimension has to do with our cities' populations, with growth rates declining since the 1980s for a variety of reasons. First, there were substantial drops in the rates of both rural-urban and inter-regional migration, as well as in birth rates. As in many other countries, Brazil's urban population is getting older on average and more highly educated. While Brazil's official 84% urbanization rate may not be all truly urban, the country is no doubt highly urbanized.

The Brazilian cities network, furthermore, is characterized by many very large cities, in which 13 metropolitan regions in 2010 had over two million inhabitants, none of them preeminent, unlike the rest of Latin America. Brazil's largest city, São Paulo, is not the nation's capital and has less than 13% of the country's urban population. We are thus a predominantly urban country with many very large cities.

Living conditions in these cities are highly dependent on the presence of basic public services, whose coverage has grown in recent decades, some of them – like water, garbage collection and electric power – reaching near universality, despite inequalities between regions and social groups. Sewage services have also expanded, but the coverage is still low. Significant inequalities also persist in the quality of services provided, especially for low-income groups in the poorest cities of northern and northeastern Brazil.

The past decade has witnessed a major reduction in poverty and in income inequality in cities. Over the past two years, that trend has stabilized and may well rise again in coming years, due to the economic crisis. How much worse it gets will depend on the duration and severity of the crisis, as well as on the success of economic policies to control it. The recent deterioration of the fiscal situation, however, leaves little room for optimism. Precarious housing conditions, another feature of our cities, have tended to stabilize in recent decades. Current data suggests that, despite heterogeneity among different kinds and scales of cities, precariousness overall has stabilized or declined slightly. Access to services has also improved even in those areas and for lower-income groups.

One central feature for urban inequalities is the evolution of national housing, urban services and planning policies. In 2003, the Ministry of Cities began taking significant (although insufficient) steps to enhance the federal government's role in these fields. There has been progress in institutionalizing urban policies in Brazil, with the creation of funds to finance social-interest housing, councils and participatory conferences, sectoral housing, sanitation and solid-waste plans and programs for the local promotion of participatory master plans, land-tenure regularization and local housing plans. The emerging system, however, gained no significant funding until 2009, and even then only for demand-side actions (the My House My Life program), although the Growth Acceleration Program (PAC) did carry out major interventions to urbanization in several cities. My House My Life has produced contradictory results. On the one hand, after nearly three decades of stagnation, a very large number of housing units were produced – some 2.5 million – a substantial share of them for

lower- and very-low-income brackets who had never been targeted by large-scale programs. On the other hand, nonetheless, the program did little or nothing to reduce our cities' social and spatial segregation. In several cases it was actually exacerbated, although not as much as some studies have suggested.

Transportation and mobility policies continue to suffer from the lack of federal initiatives and from local governments' inability to implement public transportation policies. The sector's two major challenges are somewhat diverse. The first is to regulate private service providers, despite resistance by strong local business lobbies. The other is to promote public transportation, resisted by the part of the population using individual transportation. This second challenge is actually larger now, with more car owners in the past decade as a result of higher incomes and federal policies to bolster the car industry.

One sorely missed dimension is the lack of governmental integration in metropolitan regions. Brazil has no solution to the challenge of integrating services provided by diverse authorities, except for concessions to companies in water supply and sewage infrastructure, electric power, telephones, environmental licensing, and a few others. Although the need for integration varies from one policy area to another, there are several highly interdependent areas in obvious need of integrated public policies, such as transportation, land use, planning and the environment. Actually, due to the isolation of different agencies and policies, in many cases policies are not even integrated within each single level of government.

One final major feature is the intense residential segregation in our cities, i.e. the spatial separation of residential areas of different social groups. Segregation is perhaps the most stable and resilient feature of our cities, especially large cities. It survives because there are virtually no local urban land-use policies, which are politically costly to implement. This is partially due to the connections between Brazil's local political elites and land-based interests, but also to the dominance of private ownership of housing (including irregular housing). This means that nearly all city residents would potentially be affected by the regulation of urban land. Implementation of such policies, however, is *sine qua non* to create cities that are more just, civic, functional and livable. ●

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PUBLIC SAFETY IN CONTEMPORARY BRAZIL: A MISTAKEN PARADIGM

BY GABRIEL DE SANTIS FELTRAN*



Violence is often seen as a byproduct of poverty, although that argument has been strongly refuted by expert studies. Michel Misse calls it the first of “five false theses on urban criminality in Brazil.” There was a time, in fact, when Brazil was much poorer and much less violent. While recognizing multiple dimensions of inequality – income and property, racial and gender relations, territory, access to and quality of education, healthcare and social policies, etc. – current discussions have paid little attention to implications for public safety in the configuration of our unequal order.

Counter-intuitively, violent crime rates in Brazil have grown along with the economy and consumer markets, as greater demand to consume goods and services stimulates both legal and illegal economic activity. With more money in their pockets, people buy more houses, cars and cell phones, as well as more drugs and guns, which are also available. Moreover, wherever more money is circulating – like in big cities and on the expanding frontiers of agribusiness – there is more violent crime. The solution to the problem is certainly not to repeat what we have been doing for decades. The country’s “public safety policy” paradigm has actually produced more violent crime.

Over the past two decades, Brazil introduced two approaches to “urban violence,” hoping to replicate them nationwide. In the mid-1990s, São Paulo invested in more prisons and more police. From the late-2000s onwards Rio de Janeiro invested in the military occupation of *favela* territories with Police Pacification Units (UPPs). Both have been widely publicized and touted as successful in recent years, but over time they did not lower violent crime rates and have actually promoted the very dynamics underlying such crimes. The core of the problem is that the belief that crime stems from the behavior of poor people, rather than from the markets that employ them, leads to the repression of crime’s shop-floor operators, its manual laborers. São Paulo’s prisons and Rio’s hillsides occupied by UPPs thus share the same social and racial makeup. Here we will discuss São Paulo’s prison model.

When street operators are jailed with no action against the illegal markets that employ them, their posts are simply taken over by someone else. One “dealer” jailed means a new “dealer” on the same corner the next day, and later on another ex-con back on the street. It is not surprising then that São Paulo’s prison population grew five times in 20 years, with no drop in crime rates.

The argument is that prisons avoid “impunity.” Prisons remove criminals from society and isolate them. Punishment, in many people’s minds, discourages them from following this career. Studies on prisons around the world, however, have shown that wherever more people are imprisoned not only do crime rates *not* fall but, as a side effect, “crime” becomes more collective and socially pervasive. Studies like ours and at the University of Chicago argue that prisons consolidate criminal careers as they collectivize and professionalize webs of illegal activities. No matter how modern the prisons, it has long been known, worldwide, that money buys the means for intense communication between people behind bars and with those on the outside. And there is a lot of money in criminal markets. Rather than isolating or recovering anyone, prisons have become places to make connections. Yet the litany in São Paulo has not changed after 20 years. So far, it has produced an army of over 220,000 convicts and a million ex-cons, numbers that continue to climb. And this excludes those admitted to therapeutic communities, clinics and shelters, not to mention São Paulo’s juvenile detention centers, whose population grew from 2,000 in 2005 to over 10,000 today.

São Paulo’s model also presumes that police on the street means safety. Police now have a bigger budget and better working conditions. New cars, helicopters, incredibly precise cameras, more officers, training and intelligence. São Paulo’s Military Police alone have over 130,000 officers, and the Civil Police another 30,000. In comparison, the Federal Police amounts to some 10,000. The outcome is a police force the State government can barely afford, much less control, given the autonomy it has progressively gained. Everyone now feels watched, but the numbers on imprisonment and police lethality – which are much higher in recent years – are not equally distributed. The dead and jailed have colors, ages and neighborhoods: they are mostly black, poor, young and live in peripheral areas. This unequal repression does not bring lower crime rates but only more social polarization. Police are extremely unpopular among the poor majority of the population, who see them as an enemy, and not without reason. Nor are they appreciated by the upper classes, who feel more insecure every day.

This “punish-the-poor” policy allowed the “First Command of the Capital” (PCC), which was born and raised in the prisons, to then expand through the city’s peripheries and from there to other states, controlling markets for drugs, guns, stolen cars and contraband goods. Their focus has been to organize in regions with ports and land borders, where smuggling is most profitable. For years I have argued, along with many fellow researchers, that this imprisonment model laid the groundwork for the PCC to expand in São Paulo. Leveraging that very model for its own growth, the faction was the key factor behind the drastic reduction in homicides of young, black “criminals” in São Paulo in the 2000s, while all other crime rates climbed in the State (including fatal armed robberies and the murder of police officers).

There are no magic solutions for violent crime in Brazil. It feeds on inequality and on high profits in illegal markets which, in turn, bolster the illegal economy. Recent research makes it clear, however, that the “punish-the-poor” paradigm, whether in São Paulo, Rio, Brazil more widely or elsewhere, has only aggravated “urban violence.” Social protection against inequality and the public regulation of illegal markets are our best options for public security policies. ●

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THE MULTIPLE DIMENSIONS OF RACIAL INEQUALITIES IN BRAZIL

BY MÁRCIA LIMA*

Racial inequalities in Brazil cover a range of different social phenomena. While inter-related, they require different angles of observation. Access to education at different levels, school progression, income, employment and place of residence are some of the ways we can observe racial inequalities in their socio-economic dimensions.

In the past 15 years, major transformations arising from both structural changes and social and racial inclusion policies have reshaped the agenda for the study of racial inequalities.

Significant structural changes include demographic shifts like the ongoing decline in birth rates, even for the poor, new family arrangements and changes in the make-up of the working-age population. In economic terms, the first decade of the new century brought economic growth with significant impacts on the labor market, like more formal employment and pay-ins to social security, a higher minimum wage and a better-schooled labor force. All these aspects helped change the profile of race inequality.

Although enhanced by those structural changes, the expansion and reformulation of social inclusion policies themselves – to reduce the number of people in poverty and to expand the access of the poor to opportunities previously restricted to the rich – were also extremely important. Income transfer policies were vital for the reduction of poverty. Even with no conditionalities or ethno-racial criteria, a large share of the beneficiaries are black, meaning that at the base of the social pyramid color blind social policies did, in fact, improve the situation of the black population.

Access to opportunities to join the middle and upper classes came in the form of more access for blacks to secondary and higher education. In the universities this happened through social and racial affirmative-action policies and through the expansion of the universities themselves. The 2000 census data shows that 28.3% of blacks and 31% of browns (*pardos*) in the 15-17 year age range attended secondary school. In 2010, those rates had risen to 49.7% and 53.7% respectively. Their presence in higher education also grew significantly. While in 2000 only 6.3% of black and 8.4% of brown students from 18-24 attended higher-education institutions, by 2010 those shares had risen to 30.4% and 27.8% respectively. In ten years, that is, blacks quadrupled their presence at this level of education. The data also shows, however, that the decline in racial inequality did not mean it had been eliminated. The share of whites at these educational levels was 68.1% in secondary schools, and 60.7% in higher education.¹ A study by the Institute of Applied Economic Research (IPEA), using the IBGE's official 2007 Household Survey (PNAD) data, made projections for the reduction of racial inequality and found that the same pace of falling inequality would have to be maintained for at least 40 years to consolidate a racially equal society.²

In the labor market, there was a significant increase in the share of blacks with higher education. Even so, analysis of the return on investment in higher education (i.e. revenue from employment) shows once again that while more schooling is important, it has not decisively reduced racial inequality. Comparing blacks and whites with higher education degrees, blacks occupy a lower share of the higher-level occupational strata, and there are also wage distortions among people with similar qualifications in the same strata.

This data fits the literature on racial inequality that has described significant social rigidity in Brazil, leaving aside factors of race and skin color. In other words, class matters. However social rigidity becomes race rigidity in attempts to achieve or maintain a higher status. In these contexts there are fewer chances for mobility and more wage inequality

among the more highly-schooled, signalling greater social competition for prestigious spaces and posts. Race is thus a factor in stratification, especially in access to higher levels of study, in social mobility processes and in returns to investment in education.

It is safe to say, therefore, that a process of reduction of racial inequalities is underway in Brazil, in redistributive terms. Public policies have been very important here in diminishing social and racial inequalities. The data shows that effective reductions of racial inequalities took place when the Brazilian state implemented inclusionary policies, although more explicit empirical evidence is still needed to establish the relationship between the two phenomena.

The overlapping of race and class is a feature of Brazilian inequality. Yet universalistic policies have not been enough to overcome racial inequalities, even with the over-representation of blacks among the poor. Social/universalistic solutions have not, of course, been exhausted, such as providing quality public schools in poorer regions. The historic indifference to poverty shown by the Brazilian state and society, however, also has to do with the fact that most of the poor are black. To this end, therefore, affirmative action to enable access to higher education is an important way to open up privileged spaces of the middle class and the rich, where the white population prevails.

One other important aspect of racial inequality does not directly involve inequality of goods or resources. There are other ways to perceive racial inequalities, such as racial violence, particularly police brutality against young blacks, strongly rooted in racial stereotypes of blacks as potential criminals, and also stereotypes around black women, which range from confinement to employment as domestic servants to their sexualization through the image of "*mulatas*." In short, we are obliged to think in various dimensions when studying racial inequality, including about the effects of racism on its production and reproduction. ●

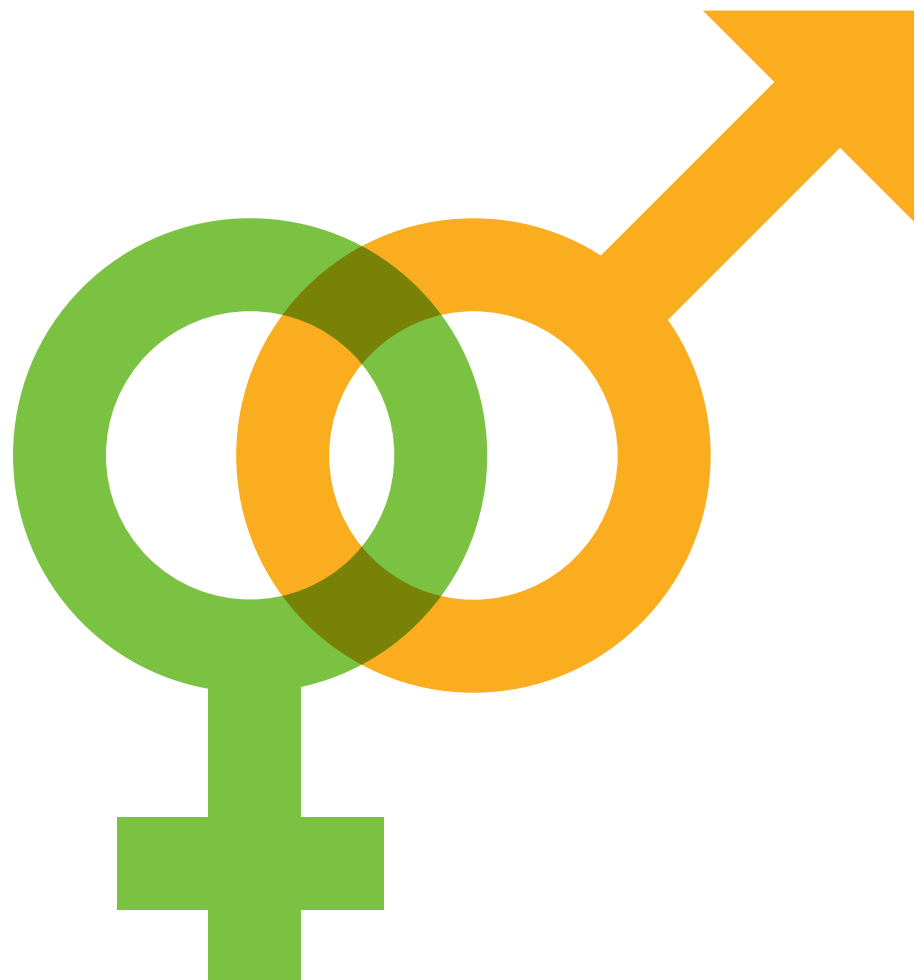
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1 Márcia Lima and Ian Prates, "Desigualdades raciais no Brasil: um desafio persistente". In: Marta Arretche (org.), *Trajetórias das desigualdades: como o Brasil mudou nos últimos 50 anos*, published by Unesp and the CENTER FOR METROPOLITAN STUDIES, São Paulo, 2015.

2 IPEA, "PNAD-2007: primeiras análises", Releases from the Office of the President, #12, Brasília, 2008.

GENDER EQUITY IN BRAZIL: AN UNFINISHED REVOLUTION?

BY MARIA COLETA OLIVEIRA,
JOICE MELO VIEIRA AND
GLAUCIA MARCONDES*



Throughout the 20th Century, Brazilian women made impressive progress in both the public and private spheres. They won the right to vote, gained the right to work without needing the authorization of their fathers or husbands, occupied spaces in all levels of teaching institutions, overcame the prejudices and hardships encountered after separation or divorce, and found in contraceptives the chance to decide when to have children, and how many. As women have clearly become active players, they have also taken on more responsibilities.

In the private sphere, the absolute majority of Brazilians no longer live in households with families composed of a couple with children.

Census data shows that, in 1970, some 67% of the population lived in that kind of household arrangement, but only 48.3% in 2010. There are many more single-parent households, to a large extent resulting from the separation of couples. The latest census found that over a third of the households were headed by women, with or without a spouse, with or without children. Longer life expectancies, higher rates of separation and divorce and the expansion of women's plans beyond marriage and motherhood help explain this new reality.

This new reality actually relates not only to the form, but also to the internal dynamics of families. The ideal father-provider/mother-housekeeper was left behind mostly by a lifestyle based on

consumption, which is only attainable with the income of at least two adults. The double-income family model is spreading with the growing recognition of the importance of women as providers. In the early 2000s, only 4.6% of households composed of a couple and their offspring had women as the main providers. In 2012, that figure was 19.4%. Two factors came together for this to happen: enhanced education for women and their increased participation in the labor market.

The universalization of primary schools increased access to education. In secondary and higher education, however, there are more women. Not only are more women enrolled, they are also the majority of graduates. In 2008, over half (55%) of university students were women. That same year, 60% of graduates were also women. To some extent, this difference is due to a higher dropout rate for male adolescents and young people. Getting a job and making money, to the detriment of formal education, are still inseparable pillars in social expectations around “becoming a man.” There is more and more evidence, however, that early entry into the labor market, without investing in school training, leads to less stable careers with lower wages.

Despite significant gains in women's education, gender inequality is still blatant when we compare salary levels and position/schooling matches. Part of the explanation is that women are relatively concentrated in under-valued fields of knowledge and branches of the economy. They are the great majority in humanities, and only a minority in the hard sciences and fields like engineering.

That gender-based specialization is reflected in the structure of the labor market. There is a clear concentration of women in economic activities linked to the universe of social reproduction – education, health and services – compared to technological creation and innovation, which are much better paid. Two possible solutions have been suggested to reduce occupational and wage discrepancies between the sexes: one is to create more incentives for women to take on careers now dominated by men; the other is to adopt policies to enhance wages in typically female fields of employment. While not mutually exclusive, gender-equality policies tend to prioritize the first option, with the perverse impact of aggravating the future supply of services such as caring for an aging population, which require professionals precisely in fields that the market downplays and undervalues.

Indicators of women's shares in labor markets are also illustrative. Among workers over ten years old, women account for 44% of the total work force. In 2012, the PNAD reported that 80% of women

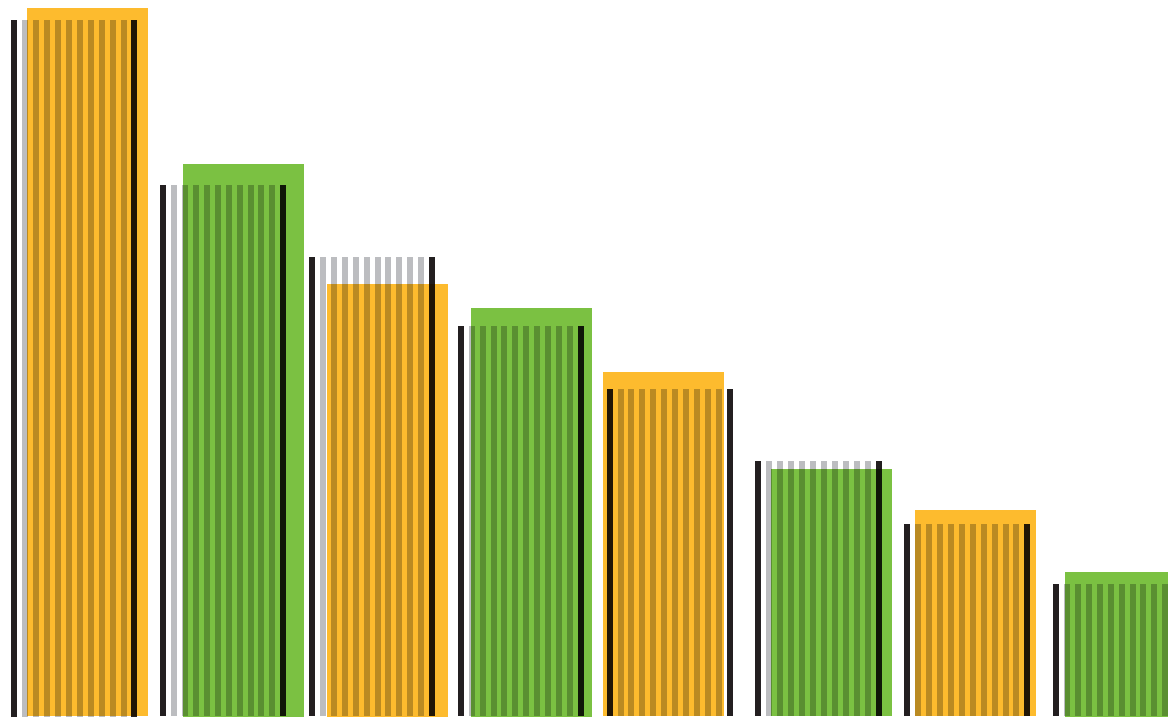
with university degrees were economically active, but only 50.1% of all women. Both of those rates are lower than they are for men: 89% and 72.6%, respectively, for the same year. Women are less economically active because both the public and private labor markets are rather insensitive to specificities of the course of women's lives. In women's careers, professional promotions are often not linear. Although reality is diverse, the overall market dynamic is still adverse to the demands of maternity and insists on prioritizing the male provider. The outcome, even today, is that women who become mothers can take longer than men to move up the same career path.

Combining work and family is today's great social challenge. While the working day for women is closer to that of men than it was ten years ago, the same trend does not apply to household tasks. Tensions and contradictions in balancing women's family and work-related responsibilities, as we have seen, have to do with how the world of labor is organized and the fact that this challenge is left exclusively to women. Give to Caesar what is Caesar's... In that sense, policies to extend paternity leave are only a first step towards balancing rights and responsibilities. No doubt an unprecedented revolution in behaviors has taken place in the past century, and women are now on higher ground in terms of education and employment. Yet that revolution will remain unfinished until it invades the intimacy of homes, making the division of domestic labor and of caring more equitable for men and women. “Family-friendly” public-sector and corporate policies – initiatives such as flexible working hours, daycare and more tolerance for justified absences to be with one's children for their health or schooling needs – have been suggested as a new ideal to follow. None of this, however, will be truly effective until gender undergoes a deep cultural shift, in which men and women feel equally responsible for their family's well-being, especially their children's. ●

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EDUCATION AND INEQUALITY IN BRAZIL

BY NAERCIO MENEZES FILHO AND CHARLES KIRSCHBAUM*



Brazil has long been notorious for its high social inequality and low performance in education. In recent decades, a consensus has emerged that inequality is “unacceptable,” both for its economic impact and for reasons of social justice. As a result, several sectors of the Brazilian society have pointed to education as a priority to fight inequality.

Reducing income inequality has thus become a focus of concern for governments. The *Bolsa-Familia Program*, for example, reorganized and expanded several existing income-transfer programs, to articulate the transfer of income with health

and education-related conditionalities. Recent studies have found, however, that although significant, those income-transfer programs were not the most important factor in Brazil’s recent reduction of income inequality. This justifies a closer look at the evolution of the supply of skilled labor in the economy. This factor underlies differences in income driven by different educational levels. Such “educational wage differentials” are one of the central causes of income inequality in the labor market.

The argument most widely used to explain relations between education and income distribution is simple: educational wage

differentials in labor markets arise from a “race” between education and technology. The idea is that while education raises the share of people with skills for the labor market, technology increases the demand for those skills.

Thus, if the ratio of people with more education rises faster than the demand for those people, the wage differential between those with more and those with less education should fall, and vice-versa. For example, the accelerated progress of education in the United States during most of the 20th Century brought lower educational wage differentials and, as a result, a decline in inequality. Since the 1980s, however, the slower growth of education in the country, especially for minorities, along with the intensive use of computers inside companies, drove wage differentials and inequality up to very high levels.

In Brazil, inequality declined from 2001 to 2010. The Gini index fell 11%, from 0.57 to 0.51. This came after decades of rising or stable income inequality. Much of this decline in inequality can be associated with the increase in the population’s education, as well as with raises in the minimum wage.

The percentage of the economically active population (EAP) with less than three years of primary schooling fell from 75% in 1960 to 26% in 2010. That was significant progress, although the 1960 starting point was extremely high compared to other countries with the same level of development at the time. Meanwhile, the share of the EAP who had not completed nine years of school increased fast from 1960-1980, stabilized from 1980-1990 and has declined since then, with the majority of young people now making it through high school.

The percentage of the population with nine full years of schooling grew until 2000 and has stabilized since then, when the majority of the Brazilian young people began to stay in school through high school. The share of young people with high school degree grew slowly from 1960-1970, a little faster from 1970-1990 and “took off” in 2000, eventually reaching the majority of the population. Finally, the ratio with degrees in higher education grew slowly from 1960-2000, and only began to pick up in the first decade of the new century.

Several factors help explain the rise in schooling, such as a rapid demographic transition with falling birth rates from 1960-1991; decentralization of funding for education since the 1988 Constitution; the Federal Education Fund (Fundef), created in 1998, which shifted funding from rich municipalities with few students to poor municipalities with many students; income transfer programs (*Bolsa-*

Escola and Bolsa-Familia) tying payments to children’s school attendance; and continuous progression (no-fail) programs introduced in the 1990s.

Taken as a whole, these trends add up to a shift in the population from the lower to higher grades in schools and have had an impact on wage differentials since. Like with other goods in the economy, when the supply of education surpasses demand, prices fall. Income differentials for the group with full (compared to partial) primary education have declined, from 70% in 1980 to only 12% in 2010. For those with the complete (compared to incomplete) nine years of schooling, the differential fell from 33% in 1980 to 17% in 2010. It is interesting to note that the revenue differential for the group with a high school diploma compared to those with only partial secondary schooling grew modestly from 1980 to 2000, and then dropped significantly from 2000 to 2010, down to 37%, precisely when the relative supply of this group increased faster.

It seems clear that this reduction in inequality in the labor market derives partly from more education over time. Raises in the minimum wage – 70% from 2000 to 2010 – also made a considerable contribution to reducing income inequality.

Finally, the advantage of incomes of the stratum with full higher education over those with full secondary education was the greatest of all differentials, reflecting the fact that the small percentage of people with full higher education (the elite) earned much higher salaries than all other groups, contributing significantly to more inequality. That differential fell a little from 1980 to 1990, but has accelerated ever since, attenuating the positive effects of education on inequality. This growing wage differential in recent years means that the relative demand for this group is expanding.

We conclude that the supply and demand model for skills appears useful for analyzing the evolution of educational wage differentials and income inequality in Brazil over the past 50 years. We have seen that a rising relative supply of education seems to have been responsible for part of the reduction in educational wage differentials throughout the period and, thereby, for the reduction in inequality. ●

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