

Title:

Brazilian Inequalities: Poverty, Social Inclusion and Exclusion in São Paulo.

Inégalités brésiliennes: pauvreté, inclusion et exclusion sociales à São Paulo

Author: **Maura Pardini Bicudo Vêras**

Titular Professor, Ph.D in Sociology at
PUC São Paulo.

Brazilian Coordinator of the SIRS Project:
Santé, Inégalités et Ruptures Sociales, un
étude comparatif Paris et São Paulo (Social
Health, Inequalities and Ruptures, a
Comparative Study Between Paris and São
Paulo)

Paper presented in the Colloquy Hexapolis IV – Providence – USA, in the Research
Group SIRS – International Contemporary Metropolis Comparison

June 3rd. and 4th. 2003.

“Underdevelopment cannot be improvised, it is work of centuries”

Nelson Rodrigues

Foreword

The current discourses in Brazil, whether by the intellectuals whether by the government and public men, have been concerned about the attack of the deep inequalities in national society's issue, aiming at not seeing them as natural processes and denouncing the existence of two distinct citizenship configurations (the included and the excluded), with outlinings diverse from the respective set of rights and duties.

If the debate is generalized reaching civil society sectors, social movements and non-governmental organizations, in turn the government, in its various powers (executive, legislative and judiciary), has been devoted to some priority projects against starvation and unemployment.

Even in the academical contemporaneousness, in which a paradigmatic controversial crisis is perceived in the Social Sciences, conceptual tools adequate to the social comprehension and intervention have surely been searched. A common discovery has well-founded this debate, almost consensually among the experts in the issue: the one that states that the power-related and excluding processes are due to the deep social inequality in the country, because Brazil is not a poor country but a country with many poor.

The clearness that a binomious is necessary seems, thus, to emerge in the consciousness of many people: eradicating poverty and attacking inequality, because the old recipe, so present in the dictatorship years, according to which the first step would be “make the cake grow” and then “share it” is nowadays totally discharged. Even the “nouvelle cuisine” recipe according to which the right choice is “growing, growing and growing” means nearly an inertia because in the meantime many Brazilians will have died, not only for starvation but for the complex conspiracy that chains the excluded groups, whether in the labor market, whether in the healthy housing, in the school education and in culture, transforming them into victims of crime, organized or not, of ignorance, of disease or of earth falls and floods in the unprepared periphery.

The Brazilian social inequality is historical, and it has been through different periods, various economic models, dictatorships and democratic transitions since the colonial past.

As suggested by Amartya Sen (Nobel in Economics Awarded in the 1980s)¹, the economic growth objective should be pursued but not as a finality: “development should refer to the improvement of the quality of the life we live and to the liberty we usufruct.” (our underlining).

That is the main goal of this article: offering data for the understanding of poverty and inequality in São Paulo providing suggestive ways for its superation.

1 – Poverty: preliminary concepts and respective measurements

The poverty conceptualization and measurement is an unfinished debate. It depends on national and international criteria, on the estate of knowledge, political

¹ SEM, Amartya. “Issues in the Measurement of Poverty” in Scandinavian Journal of Economics, v. 81. n. 2, 1979 and Desenvolvimento como liberdade. São Paulo, Cia. das Letras, 2000.

conventions, of the conquest of minimal standards of humanity, so divided by competition, wars and scarcity. We shall start by the economists in Brazil.

For the IPEA (Instituto de Pesquisa Econômica Aplicada), organism related to Ministério do Planejamento do Governo Federal (Ministry of Planning of National Government), poverty “refers to scarcity situations in which the individuals cannot keep a minimal life standard corresponding to the socially established references in each historical context”². From this point-of-view, it is possible to establish a parameter measure that allows everyone found under his/her value to be considered poor, i. e., in a given society there would be a measurable poverty line.

Although the references are socially and historically built up, the economists stipulated that the poverty dimension would be directly related to the quantity of people living in households with income per capita under the poverty line: the income per capita under the minimal level necessary for the basic needs fulfillment. In other words, the reproduction cost of the workforce that includes feeding, clothing, dwelling and transportation costs.

It was also agreed to be viable to establish an indigence line, regionally defined by the structure of costs of the food supply (caloric consumption of an individual, usually around 2,000 K/ day – calories per day, including the so called basic food supply containing rice, beans, flour, sugar, bovine or swine meat, chicken, eggs, milk etc.).

According to the criteria mentioned above, in 1999, about 14% of Brazilian population – 22 million people - were under the indigence line and 34% of households had income per capita under the poverty line (53 million people).

Even with a certain variation in poverty rates, the absolute number of poor has been increasing.

In the metropolitan region of São Paulo in 1996, the limit value of indigence line was in R\$ 76.36 (US\$ 25.00 in the present currency) and the value relative to the poverty line would be R\$ 152.73 (US\$ 50.00 in the present currency), while the average family income in this region was R\$ 483.92 (US\$ 158.00 in the present currency).*

The extent of Brazilian poverty leads to questions on the immediate causes of this phenomenon, putting forward two possibilities, one of lack of resources in the country and other of unequal distribution of resources.

1.1. Lack of resources?

In the hypothesis of resources scarcity, economists organize their arguments by researching the pattern of average consumption of the Brazilian family, the average income structure in the country and also by international comparisons.

On the endogenous construction of the definition of poverty, the comparison between poverty line and indigence line with the Brazilian structure of income per capita (GNPC – Gross National Product per Capita) reveals that this one (income per capita) represents from 5 to 8 times those ones, indicating the enormous contrast in the income distribution in the country.

By making use of the classical measure of inequality - such as GINI coefficient, studies have compared Uruguay’s inequality that obtained 0.40 in that index, and transferred it to Brazil as an exercise. Then, according to this thinking, the proportion would only be 14% of poor people, in opposition to the 34% existent in the country.

² BARROS, Ricardo Paes de, HENRIQUES, Ricardo & MENDONÇA, Rosana “A estabilidade inaceitável: desigualdade e pobreza no Brasil” In Desigualdade e pobreza no Brasil. IPEA, 2000, p. 22.

* The value of dollar in the beginning of May was around R\$ 3.06.

They have concluded, thus, that 2/3 of Brazilian poverty would be associated to the differentials in the income inequality. Brazil is only after Paraguay in the proportion of poor - that make more than 40% in there³.

About the pattern of consumption of Brazilian family, the above mentioned study points out that the average household income in 1999 was around R\$ 483.92 (US\$ 158.00 in the present currency) and about 20% of the total of Brazilian families were close to this situation (10% of them with income over this average and 10% with income under the limits of this average). The consumption pattern, including housing, has revealed that the average household income per capita corresponds to six times the value of indigence line and three times the value of the poverty line.

Even if we just consider essential expenses such as feeding, it is possible to figure out that they represent 47% of total expenses (around R\$ 272.50) and around two times the poverty line and four times the indigence one.

Thus, as the average Brazilian income is higher than the poverty line, the intensity of poverty can be associated to income concentration; and if the average pattern of consumption is satisfactory, we might conclude that there is no lack of resources but bad distribution of resources.

The international comparison is conclusive when it is registered that Brazilian levels of poverty are higher when compared to other countries with income per capita similar to Brazil's.

Around 64% of the countries in the World have income per capita lower than the Brazilian and for that reason Brazil is among the third of richest nations [The real GNP Per Capita in Brazil is US\$ 6,500.00 GNPC]. If compared to the industrialized countries, the income of work in Brazil represents 1/3 of income of work in these countries, but if compared to the developing countries Brazil would be in better conditions to face its population's poverty.

In the comparison of countries with similar average income, based on the Report of Human Development (PNUD), Brazil presented percentages over 30% of poor, while in the other countries the proportion was from 8 to 10%, what leads us to conclude that there is major presence of Brazilian social inequality.

1.2. Unequal distribution of resources

The unequal distribution of resources is, thus, detached as the main determinant for poverty in Brazil, especially income inequality that has been remaining for centuries in surprising stability, one of the highest in the international comparison.

In the economical measurement of inequality, the traditional instruments are usually the above-mentioned GINI coefficient; the THEIL index; the ratio between the average income of the richest 10% and of the poorest 40%; the ratio between the average income of the richest 20% and the average income of the poorest 20%⁴.

The international comparison with GINI coefficients reveals that only South Africa and Malawi have degrees of inequality higher than Brazil's, where it is 0.60. "... it represents, in the group of 92 countries with available information, a pattern only reached by the four countries with the highest degree of inequality: Guatemala, Brazil, South Africa and Malawi."⁵

About the ratio between the richest 10% and the poorest 40%, there is a certain pattern in the international distribution with figures stretching to 20% at most. In Brazil

³ BARROS, MENDONÇA, HENRIQUES, 2000 – op. cit., pp. 28 on.

⁴ BARROS, MENDONÇA, HENRIQUES, op.cit.

⁵ idem ibidem, p. 34.

it is 28, while in other countries it is lower: in the United States (5), France (6,5), Argentina (10) and Colombia (15), Ivory Coast (20). The value of 28 times of the average income of the richest 10% and of the poorest 40% puts Brazil in a distant position from any recognizable pattern in international scene in terms of distributive justice.

On what concerns the ratio between average income of the richest 20% and of the poorest 20%, the majority of the countries presents this ratio under 10. Once again, according to information given by the Report of Human Development of 1999 (PNUD), Brazil is the country with the highest degree of inequality because the ratio between average income of the richest 20% and the poorest 20% gets over the expanded value of 30, putting it in the singular position of champion of inequality.

Such inequality has been revealed as a stable process, keeping its GINI coefficient in the last 30 years regularly around 0.60. Obviously compromise of social development shall come up, thus, through the reduction of inequality by renewed agreements and universalist and compensatory policies in terms of employment, education, health and housing.

Even without the intention of reducing the condition of poverty just to figures, and admitting the divergence of estimation, a view of the numbers of poor in São Paulo can be pointed out. According to a study by Fundação Getúlio Vargas and IBGE⁶ realized in 2001, São Paulo state was the one that obtained the lowest percentage of poor (10.41%), while in the Northeast states alarming proportions were revealed, like in Maranhão (63%), Piauí (61%), Ceará (56%), Bahia (55%), Alagoas (55%). However, if the reference is the absolute number, in São Paulo the concentration of 3.8 million indigents can be found, while Maranhão state (the highest percentage) presents 3.5 million.

In the internal investigation of the situation in each state, there are new inequalities. Cities in the Metropolitan Region of São Paulo presented diverse proportions because Itaquaquecetuba holds the high index of about 21% of its population indigent (56,000 people) and Santo André (6%), São Caetano (5.6%). The case of São Paulo city (10.13%) is elucidative: there are 1,053,936 indigent people, besides 2 million living in slum houses, around 1 million with low schooling, 23,000 analphabet unemployed, almost 9,000 homeless⁷ and a general mortality rate of 7.04 (rate for 1,000 inhabitants) and 16.29 of infant mortality (rate for 1,000 born alive). In this panorama the intraurban inequalities must be detailed because there are districts with clear marks of social exclusion. A “new poverty” can also be added to this panorama of “traditional” excluded: in São Paulo, there are about 45,000 unemployed with College Degree, that the low economic growth of the country, between 1981 and 2002, led to a new exclusion (data by São Paulo City Hall – Secretaria do Trabalho e Cidadania – 2000).

2 – Social Inequality

Denaturalizing the social inequality is to search explaining axis outside the biological determinations. For the classic authors of Sociology finding out the causes of hierarchy and social differentiations was an essential concern, explaining them whether

⁶ Mapa do fim da fome – Centro de Políticas Sociais – FGV – Rio de Janeiro, according to which 29% of Brazilian population would be constituted by indigents, 50 million people, using the WHO's criteria (World Health Organization's) and according to which R\$ 80.00 (US\$ 27.00) would be enough for a person to satisfy his/ her basic needs.

⁷ The source is official: São Paulo em números – Prefeitura Municipal de São Paulo – Secretaria Municipal de Planejamento – SP – 2000.

by the existence of division of work (different functions, mechanic or organic solidarities, anomy, malfunctions and different degrees of integration, like in the Durkheimian schema), or by the unequal power distribution that manifests itself capillarly in the economic, social and politic spheres (in the ways of domination, legitimate or not, like in the case of the Max Weber's Typological Sociology); or even by the basis of labor force and work relation, in the different ways of propriety and social division of work (like in the struggle between social classes as the history's engine in the Marxist approach).

With other approaches, more recent, the analysis gets more complex and searches empirical measurements, crosses variables, identifies fields of inequality, whatever they are – education, color and race, territory (region)/ place/ neighborhood, sex/ gender, religion, employment, allowing to embrace processes of segregation, segmentation and discrimination.

Two approaches have already been reference in the 20th. Century:

- 1) The School of Chicago's, for example E. Burgess's, with the theory of concentrical circles in the cities' growth and that identified social poverty and disorganization as resulting of processes of competition, filtration, similar to the natural processes in which the most capable ones would tend to occupy better urban zones. The marginality focuses would be gradually controlled by the advance urbanization and its ways of life.
- 2) The culture of poverty – being Oscar Lewis' work emblematic – Anthropology of Poverty – Mexico, FCE (1983) and La Vida (1975) in which, with autobiographical testimonies, centered on the individual and the family, it “focuses” a kind of poor's life: besides the privation, they would have a life system with their own values, like a subculture in itself.

In the Brazilian debate, many authors have contributed for the debate on social inequality and its economic, political and cultural founding. Just for mentioning the main references in the 1960s and 1970s, the Theory of Marginality was created, and so were its critics, including Francisco de Oliveira, Lúcio Kowarick, F. H. Cardoso, Celso Furtado, who explained the existence of a numerous industrial spare army that emptied fields and brought to the Southeastern cities lots of immigrants looking for work by the economic dependence, by the underdevelopment and by subalternity. The metropolis in the Southeast met very well this process that sheltered enormous unprepared peripheries, slum houses, that increased the popular tenancy in slum houses and made urban social movements revindicate citizenship.

In the 1980s and 1990s, new thoughts were added to the previous ones because the recession and unemployment years came along with processes of economy internationalization and the constitution of an information society, with enormous contrasts in the São Paulo metropolitan region. Specially, new Brazilian discussions on exclusion and social inequality corresponded to European thoughts on processes of exclusion, disqualification, disaffiliation and disinsertion.

Social Spatial Inequalities

The 1990s brought many important authors who expressed themselves on the Territory's importance for citizenship, like Milton Santos, J. Souza Martins, Aldaíza Spozati, revealing the perverse inclusion, or the marginal way of insertion of many

people, a transgeneration process of sub employment, informality, in which the tentative and precarious becomes stable and permanent – in the World City São Paulo. Nowadays the industrial spare army doesn't seem to be absorbed in the future anymore – it is a hindrance. The economy has, on one-hand, dynamic and ultimate technology zones and, on the other hand, a huge unemployed crowd.

Increasing unemployment rates, work precarization, lack of minimal rights of surviving, color and sex discrimination – are processes that highlight many segments of Brazilian population, also in the São Paulo metropolitan region, although there are enormous contrasts in its inter and intra urban space.

The study of the configuration of territories is more detached because the “place”, more physically than administratively delimited, is the place of identity, memory and that carries specific possibilities of citizenship. In this explicit social topography it also makes exclusion and inequalities evident⁸, as well as denounces different effects in public policies.

This spatial inequality has been denounced for years because the problems that affect the population's quality of life in São Paulo are not uniformly spread in the city, making clear the existence of exclusion territories, areas of concentration of poverty, unprepared peripheries and degraded downtown, neighborhoods with high violence indexes. However, besides these, there are also zones devoted to international activities related to capital informatization and management, ultimate industries, centers of technological research and education excellence beside periphery neighborhoods – dormitories, precarious “camps”. That is why some authors mention “social apartheid”.

Elites' self-segregation in closed condominiums, security technologies in fortresses, make São Paulo known as the “walls' city”, with fancy shopping malls, progressive industry of armored cars and growing helicopter fleet⁹.

According to the Report of Human Development 2002, Brazil obtained the 73rd. position in the ranking of 173 analysed countries, nevertheless presenting regional, municipal and intraurban disparities, what made us see the traditional poverty/indigence lines drawn above as relative. The Index of Human Development has been established as the most complete reference as it added the education and health indexes to income¹⁰.

It is also remarkable that São Paulo city has been under a gradual process of changing of its use, in which an industrial city turns into a service metropolis. This profile transforms “parts” of the city too, through new dynamics and new sociabilities.

The volume of informal workers has been increasing in the capital since the 1990s, as can be seen on the table below:

⁸ M. Vêras – *Territorialidade e Cidadania em São Paulo* – ANPOCS – 1998. Aldaíza Sposati (coordinator) *Mapa da Exclusão/ Inclusão de São Paulo* – PUCSP, 1996 and Dirce Koga. *Medidas de Cidades*, São Paulo, Cortez, 2003, Milton Santos: *O espaço do cidadão*, Nobel, 1998.

⁹ Tereza Pires do Rio Caldeira: *A cidade dos muros, crime, segregação e cidadania em São Paulo*, SP, Ed. 34, EDUSP, 2000 and CEDEC: *Mapa de risco à violência*, São Paulo, 1996.

¹⁰ The Núcleo de Estudos e Pesquisas em Seguridade e Assistência Social da PUCSP (NEPAS), as well as the Núcleo de Estudos e Pesquisas Urbanas (NEPUR) at PUCSP have been devoted to the study of São Paulo and socio-spatial inequalities based on this conception.

Table 1: Evolution of categories of informal workers – M. São Paulo 1990-1999

| Segments | % | 1990 | 1999 | Variation |
|---|---|------|------|-----------|
| Autonomous | | 39.1 | 36.7 | -6.2% |
| Non registered employees | | 21.8 | 25.2 | +15.6% |
| House workers | | 16.8 | 18.6 | +10.7% |
| Family business employees and owners | | 11.3 | 11.1 | -1.8% |
| Employees in companies with no more than 5 registered employees | | 7.7 | 5.3 | -31.2% |
| Family workers | | 3.3 | 3.2 | -3.1% |

Source: Jakobsen et alli 2000

Reproduced from Dirce Koga (2003) – p. 225

The advanced tertiary city becomes evident in the so called Mid-Western part of the city (new downtown/ new Faria Lima Avenue, Jardins/ Berrini Avenue) near Marginal do Rio Pinheiros: there are towers, “intelligent” buildings, enterprise centers with thematic shopping malls, convention centers, playhouse auditoria, head-offices of transnational enterprises and banks, a new world city centrality¹¹.

Real estate capital plays a prime role in these new centralities, investing in new areas in a new urban autophagia and soon other front of expansion will appear. The well-equipped neighborhoods are Jardins, Pinheiros, Morumbi, with highly incomeed populations and that compose the Southwestern part of the city.

The Eastern city, specially its peripheral extremes, suffers by the precariousness of housing conditions, high infant mortality, high homicide figures, with low investment in the formal real estate market, excepting the COHAB’s and CDHU’s habitational blocks in Cidade Tiradentes, Itaquera, Guaianazes, Iguatemi, surrounded by clandestine lands and almost no urbanity.

The model center/ periphery must be, thus, often up-to-date because new spatialities come up not presenting the simplicity of the dichotomous schema.

In a fragmentation process, there are neighborhoods presenting major degrees of social exclusion, even in the Southwest, like the Jardim Ângela’s case with high juvenile homicide and squatter settlements, lack of equipment.

For comparison, there are the Alto de Pinheiros and Jardim Ângela districts¹².

The Alto de Pinheiros neighborhood exemplifies the included’s city:

The district presented in 1991 a 50,354 people population that in 2000 diminished to 44,401, suffering a 11.79% decrease, with birth-rates of 10.25 (for each 1,000 inhabitants).

The immigrant origin of the householders living there is from the Southeast or foreigners, indicating groups more integrated to the urban web and to the formal work market.

In 1997, among 865 economic establishments, the majority was composed by services and commerce, and the householders who presented 15 years of study or more, almost 9,000 cases would be a high proportion for São Paulo city. The neighborhood keeps a high housing standard for the average and highly incomeed strata, one of the highest in São Paulo and Brazil.

Concerning the mortality, there is a small number of deaths for external causes: 9 as a total, of which no one was for traffic accident, 5 were for homicide, 1 suicide and

¹¹ Heitor Frugoli, *Centralidade em São Paulo*, SP, Cortez/ EDUSP/ FAPESP, 2000 and Maura Vêras: *Novos olhares sobre São Paulo. Revista Margem*, SP, 1998.

¹² The data are from São Paulo City Hall – Secretaria de Planejamento – São Paulo em números – 2000.

3 other cases. The relative rate to this kind of mortality is 22.53 (data by PRO-AIM – 1999).

Jardim Ângela symbolizes the excluded portions of the metropolis.

From 1991 to 2000 the district presented a population increase of almost 37%, growing from 178,373 people to 243,779 inhabitants. The natality rate (for 1,000 inhabitants) is 28.84 (São Paulo city's in 1999 was 21.97).

For this population, the mortality rate for external causes is 115.54 (rate for 100,000 inhabitants), being 20 deaths for traffic accidents, 222 homicides (rate of 88.76, one of the highest in the city), 6 suicides and 41 for other reasons (drownings, falls and other external causes), making clear that this area is the most vulnerable to risks and violence.

On the householders' origins, in 1999 it was verified that most of them were migrants, and about 80% of them had come from the Northern/ North-Eastern part of the country, poor regions. There are only 1,180 householders with 15 years of study and more.

These contrasts' outlining would last for more time because a sociological cartography makes the inequality between citizens very clear. Besides that, these territorial portions are revealed by the presence or lack of urban equipments – and accessibility, dwelling, leisure, work and transportation conditions in a given spatial contexture.

The citizenship conditions are, thus, shown by the “place” where these inhabitants of the major Brazilian concentration are. A social topography that denounces the perverse stability of resources inequality that results in poverty, in the dialectics of social inclusion/ exclusion, is built up.