

Unequalled inequality

Seminar discusses the dilemmas of social segregation in Brazil

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Published in March 2010

Writer F. Scott Fitzgerald had no qualms about stating that the rich are different from us poor mortals, simply because they have much more money than we do. But is money enough to explain everything? Income inequality indicators have shown that the gap between the rich and the poor has been narrowing, but are these indicators enough to provide us with a more accurate image of national social segregation? “Income is a very important indicator to analyze poverty and it is no surprise that international comparisons focus on this issue. However, our efforts at the Centro de Estudos da Metrópole (CEM), Metropolis Study Center, have focused on analyzing poverty and inequality from many aspects, because an individual’s poverty is the result of a combination of factors besides income. These factors include: access to the formal job market, to public services, and to social and associative bonds. An unprotected individual is the result of all these factors,” explains political scientist Marta Arretche, director of CEM.

Thus, she adds, although it is important to base ourselves on recent studies that show that income distribution has improved recently as a way of understanding what is going on in the country, one must also take into account other aspects of poverty and inequality which have an equally strong impact on people’s well-being. The studies conducted by CEM attempt to expand this vision.

This is the reason for holding the international seminar on *Metrópole e Desigualdades* (The Metropolis and Inequality Seminar) was held in March 2010. This is another step in the internationalization process of FAPESP’s Centros de Pesquisa, Inovação e Difusão (Cepid), Research Center, which is also an Instituto Nacional de Ciência e Tecnologia, National Institute of Science and Technology. The seminar will focus on discussing these three pillars of research and the peculiarities of Brazil’s recent development process.

“Our research studies are based on the theoretical presupposition that work, social services and sociability are decisive mechanisms for the overcoming or mitigation of situations of poverty. You can have two individuals with the same nominal income, but if one of them has access to state-subsidized housing, health care, etc., and the other does not, then the latter is poorer and more segregated than the former. It is always necessary to analyze factors other than income, and this is what this seminar proposes to do. In fact, this is in line with recent international studies in this respect,”



A portrait of inequality: building in the high-income neighborhood of Morumbi and the favela (shanty town) in Paraisópolis



says Marta. “Poverty might have been reduced, but, on the other hand, inequality might be being reproduced.”

The first pillar of the seminar will focus on access to the job market and will begin with an unusually “optimistic” interpretation of the current status of the city of São Paulo. “Migration flows changed direction in the 1990s and began to show signs that they were slowing down, after decades of accelerated growth; this tendency is explained by local factors, such as the loss of dynamism in the unskilled labor market and the high cost of housing, as well as by external signs, such as the creation of new development centers in other regions of Brazil,” explains sociologist Álvaro Comin, from CEM.

In other words, São Paulo, contrary to general opinion, has stopped growing and migration from other regions has slowed down; more people are leaving the city than coming in, especially the unskilled labor force. “The lower-income and uneducated, or poorly educated, segment of the population now corresponds to a smaller part of the city’s overall population.” Moreover, says the researcher, in the period from 2003 to 2007, the growth of the formal labor market corresponded to 4.15% a year, and for the first time in twenty years, the number of workers holding a Work Card corresponded to more than 50%.

“The city has gained more sophisticated services and the demand is for a more elite workforce, which suggests that the city is becoming a ‘middle-class’ metropolis,” Comin explains. At the

same time, the educational level is also improving, in line with this evolution. “Formally employed individuals have many more opportunities to remain updated on recent developments in their professional fields, thus reducing their risk of unemployment and increasing their chances of professional growth.” All of this seems to indicate a perfect world. But this is when inequality arises, through a new pattern of segregation: the poorer segments of the population do not fit into this new structure, but they still depend on the city to survive, (domestic servants and other kinds of employees); they’re obliged to live further and farther away, because they no longer fit into the city, either because of the lack of affordable housing or because of the new profile in demand.

“This is a complex cycle: the city has closed its doors to a specific kind of worker, who has been expelled from the

metropolis and is thus obliged to live in surrounding regions. This leads to such major problems as transportation, floods, etc. What initially seemed to be a reason for celebration has become a reason for enormous concern, when the issue is considered more profoundly,” the researcher points out. These issues are gaining a metropolitan scope, as the problems encompass poorer, distant regions and with less ability to resolve them than a metropolis like São Paulo, adds Comin. “In addition, you only work on two government levels: the State of São Paulo and the local governments, that do not collaborate with each other; this is exemplified by the tax issues and by issues related to the political parties.”

Even São Paulo’s industrial profile has changed, although the state still concentrates 50% of the industrial output in the city of São Paulo. “Traditional industries that employed ordinary workers have relocated to the hinterland, and the city now has the technology-intensive industries. The city’s economy is more capital-intensive and less labor-intensive.”

Expulsion - “In general terms, poverty is being invited to leave the city, and we are exporting problems such as the favelas (shanty towns), extreme poverty, lack of health care, and the like. Concurrently, the ‘expelled’ population is being banned from using the public services in other places, because this population needs to show proof of work and residence. Twenty years from now, when we look at São Paulo, we might even think that everything is all right, but problems will be ahead of us – beyond the river, in the surrounding cities, with the difference that these cities will have very little chances, like we do, to implement policies and make changes,” says Comin.

The research work conducted by Nadya Guimarães, from CEM, shows another cruel reality. “Any job nowadays requires a high school or college diploma. A street sweeper employed by the local government, for example, has to have a high school diploma to get this job. This is how distorted the situation has become. It is the perverse effect



of making the city more ‘elite.’ An office worker has to have a college diploma, no matter in what field, but he has to have one. The question is: what is the reward for having finished high school or college and working as a telemarketing employee earning a pitiful salary? This confirms a common axiom in our culture: a good education does not get you anywhere.” “Everything nice about the image of São Paulo seems to have a negative element,” Comin points out.

Another pillar of inequality focused on by CEM lies in the so-called social networks. “Poverty has a territorial dimension: poor people tend to be spatially segregated, but they might be united spatially to fight the effect of segregation. The issue of unequal access to social policies leads individuals to have different conditions and futures,” explains sociologist Eduardo Marques, from CEM.

Based on maps that show individuals’ social networks, Marques showed

that these relationships with neighbors, family members, friends, colleagues, etc., are very important, and are more important than educational level and other factors, such as whether the individual is employed or not, the quality of the job and the income. Based on this data, the researcher prepared proposals for the State that could take advantage of the inevitable relationship between individuals and their interpersonal relationships, an efficient manner of providing help when the time comes to try and get a job.

A survey conducted by Nadya Guimarães on unemployed respondents looking for jobs at public or private employment agencies revealed that 80% of the respondents had found jobs through their network of friends in other periods, to the detriment of the employment agencies (which, of course, does not stop them from trying to get a job at such agencies, as a



Reflections: work, social networks and public services to explain segregation

MARCOS D'PAULA/AGÊNCIA ESTADO

manner of reinforcing their search for employment). “This reveals that people with friends have a better chance of getting a job and increasing their income, thus narrowing the inequality gap, by means of their personal relationships, which proves that these networks are more effective than public policies in this respect,” Marta analyzes.

“The fight against poverty cannot do without traditional social policies, or without macroeconomic policies that promote more good quality jobs. But given that some networks have important penetration patterns in the relationship fabric of communities, its integration with the policies of the State may help solve problems more easily, by allowing policies to reach out to the users more efficiently, and customizing them, including the language, which would thus culturally mediate the relationship between the State and the communities,” Marques points out.

“In the specific case of employment, the development of employment agencies that provide integrated information on jobs and are located in radically decentralized forms in the communities, might help reduce the effect of the migrant’s initial location and the entry of young people into the job market, distributing access to information and local relationship structures in a more equitable manner.”

Favor - Although a job might still depend on that friendly information from a friend, the good news is found in the third pillar of the seminar’s research study on public services. “Imagine an individual in a very difficult situation: this person is jobless in a metropolis. What is this person’s life like? In spite of all his difficulties, this person’s children can still stay in school and he can still depend on health care services. He has access to this without having to depend on favors or the blessing of any politician,” says Marta Arretche. “His situation in a metropolis is certainly much better than if he were living elsewhere.”

According to the researcher, the metropolitan regions are not the worse places in Brazil. “I classified all the cities in Brazil according to this expanded poverty indicator criterion that characterizes the studies conducted by CEM: income, health, education, and housing. All of the cities were classified according to an index ranging from 1 to 6, where 1 indicates the best cities in terms of income and social levels and 6 indicates the worst cities in this respect. Most of the cities in the metropolitan regions scored between 1 and 2, that is, they were among the cities with the best indicators,” she explains.

In her opinion, the main problems seem to be urban mobility conditions, that is, the urban and transportation infra structure. Another positive data that was revealed by Nadya Guimarães’ survey was that 98% of the people from the big metropolises (Rio, Salvador, Belo Horizonte, São Paulo) have direct access to public services, which indicates the near-extinction of political cronyism in this respect. Comparative studies indicate that inequality in access

to public services has been falling around the world, while income inequality has been increasing.

“In this respect, Brazil seems to be following a specific path, because Brazilian democracy has been able to reduce income inequality, together with inequality regarding access to public services,” says the director of CEM. Inequality demands political reflection and not only an economic one.

“The expectation of the majority of social scientists at the beginning of the 1990s was that the Brazilian state would be unable to deal with the social inequalities inherited from the military regime. More extensive political participation combined with the State’s inability to meet demands for social integration were seen as being a serious threat to democracy,” says Marta. “These expectations proved to be groundless, because Brazilian democracy has gradually revealed its social incorporation capacity; that is, Brazil is following the classic path of modern democracies in which political participation creates opportunities and institutional incentives for the progressive social integration of the masses.”

Brazilian political institutions allowed voters to become incorporated and demands to be met, “including the lower segments of the population. Governments that followed the dictatorship regimes moved forward in terms of their re-democratization agenda through the redemption of the social debt inherited from the dictatorship. There is no doubt that income concentration and the limited access of the poorer segments of the population stemmed from the configuration of the political forces and the political priorities prioritized by those governments,” states political scientist Argelina Figueiredo. “Ever since the advent of re-democratization in the 1980s, this social panorama has started to change and has been changing with increasing intensity. The dimension of this change shows that it is highly significant if we compare it to the timing of the processes of social change equivalent to that in countries whose democracies are today considered as being “consolidated.” ■