

DEMOCRACY AND SOCIAL POLICY SERIES

Working Paper #1 – Spring 1994

THE CURRENT SOCIAL SITUATION IN BRAZIL

Dilemmas and Perspectives

Vilmar E. Faria

Vilmar E. Faria received his PhD in Sociology from Harvard University. He is currently Professor of Social Sciences at the Universidade Estadual de Campinas (Unicamp) and Senior Researcher of the Centro Brasileiro de Análise e Planejamento (CEBRAP), São Paulo, Brazil. In summer of 1993 he was a Visiting Fellow at the Kellogg Institute.

Given the difficulties in obtaining up-to-date information, I frequently resort to the ideas, research results, and unpublished works of a number of colleagues, though it is not always possible to cite these sources adequately. I would like to acknowledge collectively my colleagues at the Centro Brasileiro de Análise e Planejamento (CEBRAP) and Nucleo de Estudos de Políticas Públicas-Campinas (NEPP), where some of the research and discussions mentioned here took place. Recent seminars held at the Associação Nacional de Pesquisa e Pós-graduação em Ciências Sociais (ANPOCS), Instituto de Pesquisa em Economia Aplicada (IPEA), and Sistema Estadual de Análise de Dados Estatísticos (SEADE) offered excellent opportunities for the exchange of ideas—and increased understanding. Nonetheless, the interpretation put forward here remains exclusively my responsibility.

An earlier version of this paper was published in *Novos Estudos CEBRAP* 33 (July 1992).

This paper might be called "The Social Situation in Brazil in Times of Cholera," if this apropos expression had not already been used by Bustelo and Minujin (1991) to characterize the social situation in Latin America today. While I do not propose to undertake a profound and detailed analysis of the many and complex questions relating to the 'social state of the nation,' I do intend to offer a concise—though incomplete—diagnosis of this state.

This sort of investigation faces obstacles of a technical nature, especially in terms of the availability of pertinent information of at least reasonable quality. As we know, much of the information necessary for an analysis of the most recent developments is not available, a condition aggravated by the public sector crisis in general and, more specifically, by the crisis in the area that generates technical information. Given these constraints, this paper makes use of unpublished preliminary data already available in some segment of the academic community as well as published information.¹

The main body of the paper is divided into three parts. The first seeks to evaluate the level of social development reached by the country, measured in succinct terms and cast in a comparative perspective. The second deals with the dynamics of social development in the 1980s—dubbed, perhaps inappropriately, the 'lost decade'—and calls attention to some of the lessons that may be derived from that experience. The third and final part highlights, within the perspective adopted here, what I consider to be the main challenges presented by current situation.

Brazil's Social Problem at the End of the '80s: A Few International Comparisons

During the 'economic miracle,' Brazil stood out in the international scene because of its high economic growth rates as well as the size and complexity of its urban industrial economy. However, during the second half of the 1980s, the backwardness of Brazil's social policy and conditions attracted a comparable amount of international attention, unfortunately not without reason. Therefore it is worthwhile to begin our analysis of the present situation in that period, a task facilitated by the availability of recent United Nations' Development Program studies (UNDP 1991; see also UNDP 1990).

After undertaking a series of studies, UNDP proposed an index for social development—the Human Development Index (hereafter HDI)—which allows the comparison of different countries' performances in several basic areas of social welfare. This index takes into account life expectancy at birth, literacy rates among the adult population, and per capita income, corrected in

¹ In addition to ideas and unpublished work of colleagues at CEBRAP, NEPP-Campinas, ANPOCS, IPEA, and SEADE, NEPP (1991) and Tolosa (1990) served as useful references.

terms of purchasing power. Setting minimum and maximum values considered satisfactory within each of these indicators, UNDP designed the HDI as varying in a range between zero (0.0) and one (1.0).

In the 1990 UNDP report, Japan had the highest index of social development (HDI = .996), while countries like Nigeria and Mali were among the lowest (HDI = .116 and .146, respectively). Brazil's index stood at .784, situating it among countries with average human development indices.²

When analyzed with due methodological precautions, UNDP indicators for social development warrant at least three conclusions:

According to the most recent UNDP figures (UNDP 1991), Brazil has the eleventh largest economy in the world, measured in terms of the volume of its GDP.³ However, while the average index of social development for countries with economies of this size was around .912, Brazil's index reached only .759.

Though these figures may serve to fuel either native optimism or pessimism, this comparison really is not very pertinent. The absolute size of the GDP does not provide a satisfactory indicator for economic development: some countries, such as China or India, may present high GDPs that do not necessarily correspond to productive complexity or to high productivity. Per capita GDP, though limited, constitutes a more appropriate indicator of the level of economic development.

In analyzing the relationship between this indicator of economic development and the HDI for the group of countries under consideration in the UNDP study, we arrive at our first important conclusion. While a perfect linear correlation between the degree of economic development—measure by per capita GDP—and the degree of social development—measured by the HDI—does not exist, there remains no doubt that the two processes are associated: the levels attained on the HDI scale depend on the levels reached by per capita GDP.⁴ Among the 160 countries analyzed in the UNDP study, Brazil's HDI for both 1990 and 1991 stood at the level that might be

2 The 1990 UNDP study gave rise to several controversies. Some of the criticism was taken into account and the index was slightly modified for the 1991 report. According to this report, Japan continued to boast the highest human development index (.993). Brazil had an index of .759, lower than the previous year, mainly by virtue of the modifications introduced to the index. In spite of these changes, the UNDP index continues to be exposed to much technical and political criticism. I use the index here without discussing this criticism only because it allows for an evaluation of the Brazilian social situation in a comparative fashion, while taking into consideration a wide assortment of countries.

3 China, with a GDP on the order of 370 billion dollars, has a larger GDP than Brazil (330 billion dollars). Its reduced levels of urbanization and industrialization, however, set it apart from urban industrial economies.

4 This is reinforced both by the ordinal correlation between the HDI and per capita GDP (Spearman's $\rho = .934$) or by the correlation between the HDI and the logarithm of per capita GDP (Pearson's $r = .916$). In simple terms, the ordinal correlation takes into account each country's position as it is placed hierarchically in terms of the two dimensions considered (HDI and per capita

expected, considering per capita GDP. In 1991, Brazil was 60th in per capita GDP and 62nd in HDI.

Though formulating the problem in more appropriate terms—by calling attention to the importance of economic growth—this result should not be taken as any sort of consolation. The UNDP analyses also point out two other important points to consider.

When comparing the rank of countries in terms of per capita GDP to their rank in terms of the HDI, where there is a strong association, these analyses reveal that “the disparity is much greater in income than in human development among these countries” (UNDP 1990). This means that, although “the growth of income and the expansion of economic opportunities provide conditions for human development” (UNDP 1991), individual countries differ greatly in their capacity to convert these conditions into effective human development. Indeed, the data suggest that we may classify the countries in two broad groups: those that succeed in transforming their economic development into higher levels of social welfare and those less efficient in this task. Table 1 illustrates this by comparing three pairs of countries.

TABLE 1

Social Effects of Economic Development

Country	GDP per capita	HDI
Romania	3000	.762
Peru	3080	.644
Argentina	4360	.858
Syria	4460	.691
Chile	4720	.878
Brazil	4620	.759

Source: UNDP 1991.

Using the efficiency criterion to divide the 160 countries into two groups, we may conclude that Brazil occupies an intermediate position: when compared to more efficient countries, Brazil's HDI is lower than expected, given per capita GDP levels; when compared to less

GDP); Pearson's r considers the value reached by the countries within each of the indicators. The value of both correlations varies between 0.0 and 1.0, which respectively indicate the absence of any relation and the existence of a perfect relation between indicators. Since the per capita GDP elasticity of social development varies for distinct GDP levels, and is particularly reduced at high per capita GDP levels as a function of the HDI's own definition, the logarithmic transformation of the per capita GDP variable allows us to detect its relations more effectively.

efficient countries, Brazil's HDI is greater. Figure 1 (at the end of the paper) illustrates this observation.⁵

In addition to showing that the correlation between per capita GDP and the HDI is not linear—which is why we adopt the logarithm of per capita GDP—the UNDP study also indicates a positive correlation between the HDI and urbanization levels, on the one hand; on the other, the size of a country's population also affects its level of social development (*ceteris paribus*, negatively). All of this suggests that, in order to minimize methodological problems when comparing, we should take into account the degree of urbanization as well as the size of countries, along with per capita GDP. For this reason, among the 160 countries of the study, we have selected those that present per capita GDPs between US \$3000 and US \$6000, have urbanization levels greater than 50%, and whose population exceeded 10 million inhabitants (in 1990). The 19 countries meeting these characteristics may be compared to Brazil in a more pertinent fashion. Table 2 presents a list of these countries along with basic indicators.

Per capita GDP and the HDI are associated in this group of countries as well, though to a lesser degree (Pearson's coefficient $r = .57$). When analyzing Brazil's position within this group, one arrives at the conclusion that the HDI is lower than should be expected. Indeed, Brazil shares this distinction with South Africa, Syria, Turkey, Iran, and Iraq. If we exclude the Arab countries (using the not very convincing argument of deeper cultural differences) Brazil's position is even worse: the HDI is much lower than should be expected (the value observed is .759, compared to an expected HDI of .830, similar to that of Mexico, for example). Within this group of countries, Brazil holds an uncomfortable position in the company of Peru and South Africa.

As UNDP itself recognizes, the index does not take into consideration some important indicators of the degrees of inequality that exist in these countries. When this dimension is added to the HDI—which, unfortunately, is not possible for all cases, given the lack of data—Brazil's relatively backward position becomes even more evident. Among the 54 countries where it is possible to correct the HDI according to income distribution (UNDP 1991), Brazil's HDI remains quite distant from the expected level, given its per capita GDP, assuming the subgroup of more efficient countries as a parameter. Bangladesh, Pakistan, Iran, Singapore, Hong Kong, and the United States are countries at different levels of economic development sharing this position with Brazil.

5 In order to do this exercise, we have classified as more effective those countries that present HDIs equal to or greater than the expected value provided by the regression model estimating the relation between per capita GDP and HDI for the group of 160 countries, while the remaining countries—whose HDIs were less than the expected value given by the regression model—were classified as less effective.

TABLE 2

**Economic and Social Development
(Countries Selected for Comparison)**

Country	GDPpc	Urban Pop.(%)	HDI-91	HDI-90	Log GDP	HDI-91 est 1	HDI-91 est 2
Greece	6440	62	.934	—	—	—	—
USSR	6270	66	.908	.920	3.80	.904	.898
Hungary	5920	61	.911	.915	3.77	.884	.884
Korea	5680	72	.884	.903	3.75	.869	.874
Venezuela	5650	90	.848	.861	3.75	.867	.872
South Africa	5480	59	.766	.731	3.74	.856	.865
Mexico	5320	73	.838	.876	3.73	.845	.858
Yugoslavia	4860	56	.893	.913	3.69	.813	.836
China	4720	86	.878	.931	3.67	.802	.829
Brazil	4620	75	.759	.784	3.66	.795	.823
Argentina	4360	86	.854	.910	3.64	.774	.809
Poland	4190	62	.863	.910	3.62	.760	.799
Colombia	3810	70	.757	.801	3.58	.726	.776
Peru	3080	70	.644	.753	3.49	.650	.724
Romania	3000	53	.762	.863	3.48	.640	.718
Syria	4460	50	.681	.691	3.65	.782	—
Turkey	3900	61	.694	.751	3.58	.734	—
Iran	3560	57	.577	.660	3.55	.702	—
Iraq	3510	71	.582	.759	3.55	.696	—

GDPpc = Per capita Gross Domestic Product (in US \$, adjusted by purchasing power)

Urban Pop. (%) = Urban population as percentage of total in 1990

HDI-90 = Human Development Index, UNDP 1990

HDI-91 = Human Development Index, UNDP 1991

Log GDP = Logarithm of GDPpc

HDI-est 1 and 2 = estimated expected value for HDI-91 (1 includes Arab countries, 2 excludes Arab countries)

Focusing on the group of 19 countries most suitably comparable to Brazil and adopting the HDI corrected by income distribution, Brazil's relatively backward position is further enhanced.

Considering only 12 countries in this group, for which information on income distribution is available, the corrected HDIs of Brazil and Syria are the ones most far removed from the expected value, in negative terms.

In short, at the beginning of the 1990s, the level of human and social development attained by Brazil stands on an intermediate plane, in part as a function of the level of economic development reached by the country. However, this level of economic development should have allowed Brazil to reach much higher levels of basic social development. Instead of remaining in the somber company of Iran and South Africa, Brazil could be enjoying a standard of human and social development comparable to countries like Argentina, Chile, Poland, or Yugoslavia.

These international comparisons help situate and clarify Brazil's social problem. This problem still continues to be a question of economic growth. But it also is a question of relative backwardness in the provision of social services and a question of income redistribution. Hence, as pointed out in the UNDP report, Brazil "failed to achieve satisfactory development despite high incomes, rapid growth, and substantial government spending on the social sectors," thus constituting an exemplary case of squandered opportunities (UNDP 1990). As a result, throughout the 1980s, and especially after 1989, Brazil's social condition worsened considerably. This is due, on the one hand, to the economy's loss of dynamism and to the deepening of inflation, with negative effects on income levels and distribution. On the other, it has much to do with the crisis of the public sector, especially with regard to social protection services.⁶ If, as the UNDP report suggests, Brazil squandered an opportunity to improve levels of human and social welfare during a period of rapid economic growth, then what happened in the 1980s, which according to many was the 'lost decade'?

Lessons From the Lost Decade: 'Lost'?

In addition to suffering a significant reversal of historical growth rates, Brazil of the 1980s also bore the mark of economic instability: it began with the strong recession of 1981-84, enjoyed a brief period of rising growth rates in 1985-86, then closed the decade at a slower pace of

⁶ Information on social spending would provide an interesting complement to this comparative analysis. The innumerable theoretical and technical problems of this sort of comparison make its discussion difficult in the brief space of this paper. It should be noted, however, that in terms of spending effort—measured by the volume of government spending in the social area as a proportion of the GDP—Brazil occupies a relatively favorable position: in the mid-'80s, Brazil spent between 16% and 18% of its GDP on social programs. This effort stood considerably higher than the parameter set by countries with similar development levels. However, the efficiency and effectiveness of this spending were comparatively small. Furthermore, Brazilian social spending contributed relatively little to promoting greater equality. For that reason, the reorientation of public spending in the social area rather than the increase in its volume continues to be one of the challenges to the social question in Brazil. The recent period has only aggravated the problem.

growth. Loss of dynamism along with instability, in short, shaped the economic contours for the decade. On the other hand, Brazil in the '80s experienced an enhanced political dynamism, both in the mobilization and organization of interest groups and in electoral terms.

Obviously this had a profound impact on Brazil's social structure. I would like to emphasize four aspects of this impact here.

First, though with significant fluctuations,⁷ the progressive decrease in the number of poor, a trend beginning in the postwar period and heightened in the 1970s, was interrupted in the 1980s (Lopes 1994). This conclusion is based on the information analyzed by Romão (1991), for example, and is summarized in Table 3.

TABLE 3

The Poor as a Percentage of the Total Population: Brazil 1960-88

Year	Percentage Poor
1960	41.4
1970	39.3
1980	24.3
1983	41.9
1986	28.4
1987	35.9
1988	39.3

Source: Romão 1991

The most recent data available comes from Lopes' meticulous research (published as Working Paper #7 in this series, Lopes 1994), based on information from a National Survey on Health and Nutrition conducted by the Brazilian Institute of Geography and Statistics (IBGE) in 1989. According to Lopes, among the households in Brazilian urban areas at the end of the 1980s, 11.3% were indigent and 22.52% were poor, which means that 33.55% of all households had incomes below the poverty line.⁸ Taking this value as a parameter, the number of poor

⁷ It should be noted that the proportion of poor estimated on the basis of household income and of poverty lines, given that the poverty line is quite close to average income, is very sensitive to variations in real wages. Cf. León Batista (1994).

⁸ Lopes (1994) defines the indigence line as per capita income falling below the range of the equivalent of US \$16.36 and \$22.94, depending on the region, and the poverty line as a per capita income of between US \$35.41 and \$54.37, also depending on the region (US dollars, 1989).

households was greater in absolute terms at the end of the 1980s than at the beginning of the '70s. From this perspective, following an expression employed by Lopes and Gottschalk (1990), the '80s decade "was more than lost." This situation worsened—and continues to do so—in association with an increasingly skewed income distribution and with the slow pace of job openings, resulting from a decade of stagnation and of spurts of (hyper)inflation.

Second, the nature and depth of the '80s crisis profoundly affected the perspectives and expectations of a good part of the Brazilian population in terms of the present and, especially, future conditions of the country. Besides evidence to this effect offered by an examination of mass media—with a few exceptions—and of public opinion surveys, preliminary data already exist to suggest a decrease in historical rates of social and spatial mobility. Segments and generations of the population are experiencing the harsh reality of blocked mobility, perhaps for the first time in recent years. In my estimation, this reversal of expectations and its implications constitute one of the principal dimensions of the current Brazilian social problem.

The third aspect under examination here has to do with what happened to collective consumer goods and services during the 1980s.

At the end of the '70s and beginning of the '80s, the forces that rallied around the movement for redemocratization in Brazil leveled vigorous and well-grounded criticism against the social policy pursued by the authoritarian regime. Because of this, expectations burgeoned in reference to the social policy reform to be developed *pari passu* with the consolidation of democracy. The 1988 Constitution reinforced these expectations in part, at least insofar as a slate of social rights became formally established (Castro and Faria 1989). However, the persisting economic crisis, the vicissitudes of the political transition process, and current transformations in political and ideological orientations have made an effective reform program all the more elusive.

With the exception of important measures related to decentralization and municipalization the decade showed little progress, especially with respect to the finance and administration of social policy. (The program to articulate and decentralize health care services has so far produced uneven results across the country.) In addition, the renewed, neoliberal-inspired attack questioning the role of the State has produced changes in both the alignment of political forces and the agenda for social reform. The performance of social indicators during the 1980s must be analyzed within this context.

A recent unpublished report by the Instituto de Pesquisa em Economia Aplicada (IPEA) allows for a general assessment of what happened. Perhaps paradoxically, the IPEA information demonstrates that the social indicators did not worsen during the decade. There is even evidence that an improvement, albeit timid, may have occurred, although the levels attained remain far short of satisfactory (IPEA 1991).

For example, between 1981 and 1989, among the economically active population, the percentage of persons with more than four years of formal education grew from 47.9% to 56.6% in urban areas, and from 10.4% to 18.1% in rural zones; illiteracy rates for persons over age fifteen fell from 22.8% to 18.8%; the percentage of children between ages seven and fourteen out of school decreased from 30.7% to 16.1%, while the number of persons between ten and seventeen who did not attend school dipped from 31.2% to 26.8%. Between 1974 and 1989, the proportion of children under age five showing signs of malnutrition diminished from 46.1% to 30.7%, and there is solid evidence supporting the decline in infant mortality rates and the increase in life expectancy. The proportion of housing considered inadequate fell from 10.9% to 7.5% of total households, while the percentage of high-density households (with more than three inhabitants per room) declined from 16.3% to 11.8%; the volume of households with satisfactory basic sanitation grew from 43.1% to 53.3%; and the proportion of persons living in households with running water went from 58.0% to 71.0%.

Depending upon the indicator considered, there are several reasons for this progress, apparently paradoxical in a decade marked by economic instability and crisis: long-range effects in some cases, the decrease in demographic pressure in others. I am convinced, however, that a great part of this progress can be explained, in different ways, by the strong political mobilization that also characterized the decade, which was associated with advances in popular organization and with the resurgence of democratic elections.⁹

If, in addition to income, we adopt the lack of any other need considered basic—such as running water, sewage, housing, school, or work—as a further indicator of deprivation, Brazilian households were distributed in 1989 in the manner illustrated in Table 4, following Lopes' data (Lopes 1994).

For urban areas, the picture is relatively clear: half of the households indigent in terms of income (around 11% of all Brazilian urban households) were unable to meet at least one of their basic needs, while 30% of the households rated as poor (around 22% of all Brazilian urban households) and 10% of those above the poverty line fell into the same category. Nonetheless, about two-thirds of the urban households in Brazil falling below the poverty line managed to meet their basic needs at least precariously. Obviously it is not much, but it is something.

These results, in my view, have considerable importance in the present situation, which is marked, on the one hand, by the indiscriminate neoliberal attack on the presence of the State and, on the other, by the almost total disorganization of public services that depend upon the federal government. This analysis suggests that, paraphrasing a popular saying, *when the saint is*

⁹ I do take into account here the possible role of clientelistic-type mechanisms in sustaining or expanding these services. But I do not believe that this is sufficient reason to diminish the importance of associative, political, and electoral mobilization.

made of clay, one must carry the procession litter slowly. since the most elementary basic needs, especially those of the poorest strata of the population, are furnished by public services, it is important to recognize that although the performance of public social services may be poor, due to their precarious and inefficient character, the situation would be much worse without them. These services provide a sort of 'safety net' for the poor population. Their disarticulation and even destruction, especially in the context of economic crisis, could bring about grave consequences.

TABLE 4

Poverty and Basic Needs in Brazil Urban Households,^a 1989 (%)

Basic Needs	Income Level			Total
	Indigent	Poor	Not Poor	
Not Met	5.74	6.33	6.15	18.22
Met	5.29	15.98	60.30	81.57
Subtotal	11.03	22.31	66.45	99.77

Source: Lopes 1994

^a Total urban households = 25,586,500

Finally, in addition to demonstrating the inherently fragile nature of Brazilian social policy, recent studies on social conditions in Brazil have also shown that the efficiency and effectiveness of social policy are hampered by external factors (Faria 1991). Though I will not discuss them in greater detail here, given space limitations, I will mention four such obstacles:

1. As pointed out in the brief comparative analysis above, economic growth constitutes an indispensable and strategic component of social policy. Though it is possible to effect some improvement in income distribution and social welfare performance with an annual per capita expenditure of US \$500, this figure falls far below the amount considered adequate in today's world, especially in a mass consumer society.
2. As shown by the numerous studies on poverty already mentioned, employment represents a necessary—though not a sufficient—condition for minimum access to the market of goods and services. Notwithstanding the tendency toward decreasing demographic pressure on the labor market in the long run, such pressure will remain relatively intense over the next twenty years. The Brazilian economy will have to provide jobs with the same dynamism shown in the 1970s. If not, certain age cohorts will experience high unemployment rates, which poses a serious challenge to the effectiveness of social policy.

3. The iniquitous pattern of income distribution and, more specifically, its disastrously inequitable division between capital and labor, create practically insurmountable structural constraints to the efficient performance of any social policy. This, along with limited job offerings, becomes evident in primary education, for example: though places in the schools are available and meals are provided, often this is not sufficient to keep children in school or guarantee them an adequate education. Among the poorest population, the opportunity cost of staying in school remains much too high.
4. Finally, several studies have pointed out weaknesses in the enforcement of civil rights in the country (Avelino 1991). Indeed, within this context of weak civil rights, the gap between the social rights guaranteed by law and the effective capacity of the State to provide public services associated with these formal rights furnishes fertile ground for the growth of patrimonialism, narrow corporatism, and clientelism, which are features that further disfigure the already inequitable profile of Brazilian social policy.

As I have sought to demonstrate in another article, unless it deals with these obstacles in an appropriate fashion, leaving behind its many, well-known maladies, Brazilian social policy will face the task of Sisyfus (Faria 1991).

Challenges of the Current Situation

During the most recent period, let us say since President Collor came into office, the problems and challenges outlined above here worsened.

The first and second 'Collor Plans,' as well as the more recent orthodox adjustment policy, aggravated the situation of crisis and instability. As a result, the tendency toward recession deepened, economic instability increased, and a crisis of confidence set in. Although the specter of hyperinflation seems to have been chased away, inflation levels have not receded in any significant or lasting manner.

For wage earners, taking the economic performance of metropolitan São Paulo as an indicator, the current situation is characterized by growing unemployment and the deterioration of real wages. Thus, either unemployment deepens, or employment remains stable or rises but real wages fall, or both things may occur simultaneously, as they did in during the first two months of 1992. In short, in today's Brazil, the tendency is either not to find work or, as an alternative, to work more and earn less.

Furthermore, one unfortunately also encounters a profound crisis in the public sector—according to some, in the State itself¹⁰—resulting from the conjugation of several causes, old and new. Added to the structural crisis of the public sector, already identified, one finds the decentralization measures implemented by the new Constitution, the devastating effects of a

10 In some regions of the country, both urban and rural, there is evidence of a deeper crisis: the reduction in the State's enforcement capacity, as demonstrated by the proliferation of 'underground' economies and the emergence of parallel forces that maintain a certain measure of autonomy in their capacity to apply physical coercion and to provide collective services.

disastrous administrative reform in the Federal Government, the increasing incapacity of management due to the arrogance or lack of preparation among political and administrative leaders, and the serious budgetary crisis—due partly to structural causes, partly to the impact of the economic crisis on public finance, and also to administrative disorganization and lack of coordination. Finally, these obstacles are further bolstered by a persistent political impasse.

The result of all of this has been a significant decline in the performance of public services, which will very likely cause a deterioration in basic social indicators for the most recent period. At the same time, however, partly as a consequence of the improvement in the distribution of resources among different levels of government, the performance of certain state and municipal administrations seems to have advanced in a notable manner, especially with respect to education, health, and cultural affairs, which should be mentioned as an encouraging tendency.

The articulation and development of these various tendencies lends a new characteristic to the present situation, which has more to do with its intensity than with its nature. The elevated degree of uncertainty that has taken hold of the country, the increasing precariousness of the work sphere, the depreciation of real income and the obstacles to mobility expectations—factors also affecting significant sectors of the middle and upper-middle classes—have conspired to undermine the security of vast social sectors. Added to this objective precariousness is the subjective feeling of insecurity and the increase in levels of disarticulation, impotence, and despair.

The forces emerging within this serious state of tensions should gain expression in upcoming elections. As I finish writing this paper, I do not have many reasons to be optimistic. On the one hand, there is the well-known fragility of the party system (too many parties, weak internal discipline, insufficient programs, etc.) as well as the incapacity of Brazilian political parties to adapt themselves to elections held in two rounds, which makes the formation of governing coalitions with coherent programs exceedingly difficult. On the other, my pessimism derives from the low level of popular credibility enjoyed by politicians and political parties.

In a situation of despair, these factors may contribute to favoring personalist or salvationist candidates as well as to producing a high degree of electoral abstention. Each of these are negative perspectives for the future of democracy in the country.

But, at the same time, it is worth emphasizing that elections afford an excellent opportunity for changes in political attitudes and for challenges to increasingly obsolete party practices.

For those of us who stake our hope in a more effective democracy, even if the electoral consequences are uncertain in the short run, there remains little doubt as to the role we expect the responsible political elite to play.

FIGURE 1
Economic and Social Development
Parameters Showing Brazil's Situation

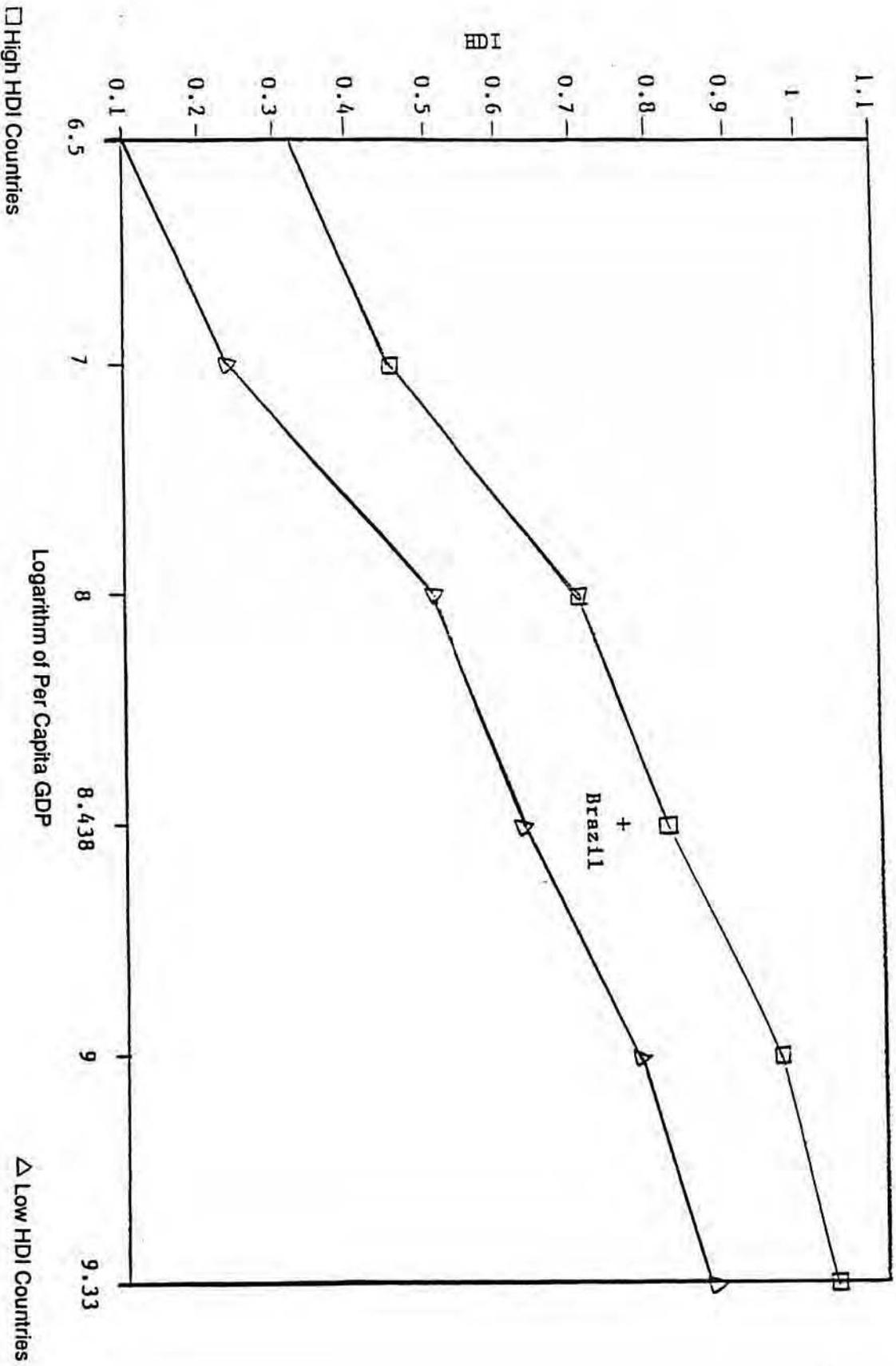


FIGURE 2
Economic and Social Development—18 Countries
Parameters Showing Brazil's Position

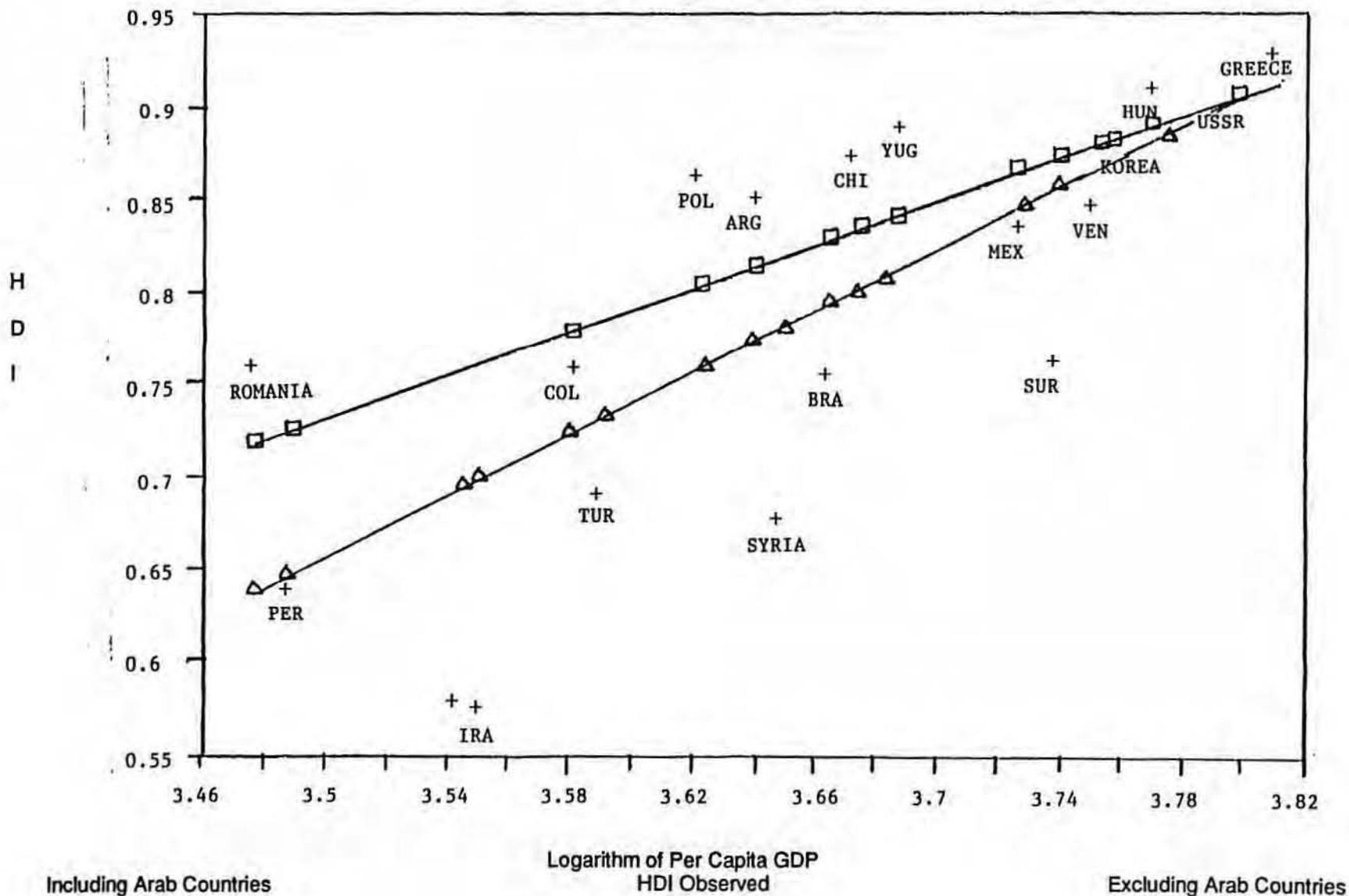


FIGURE 3
HDI Corrected by Income Distribution
Parameters Showing Brazil's Position

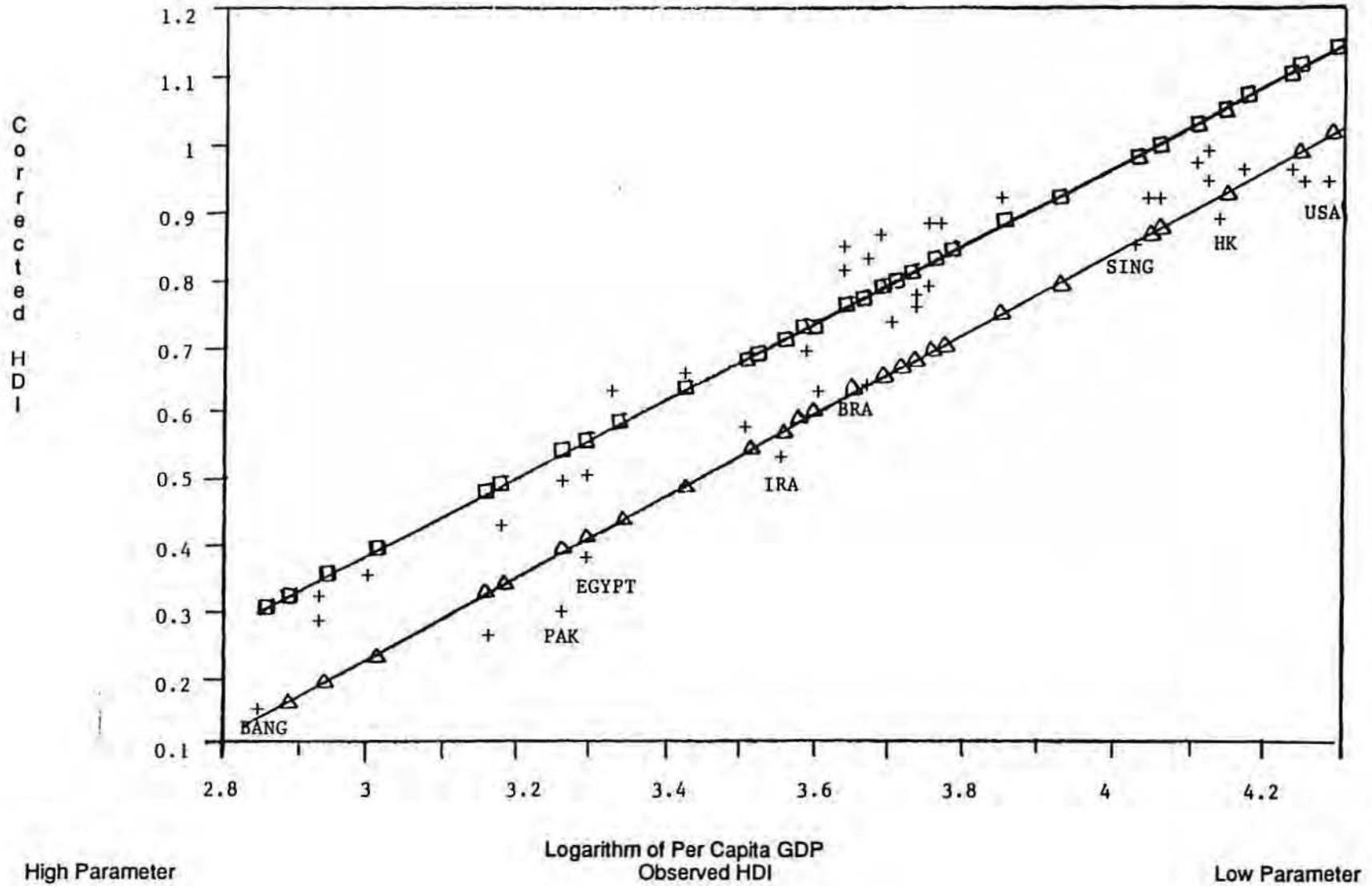
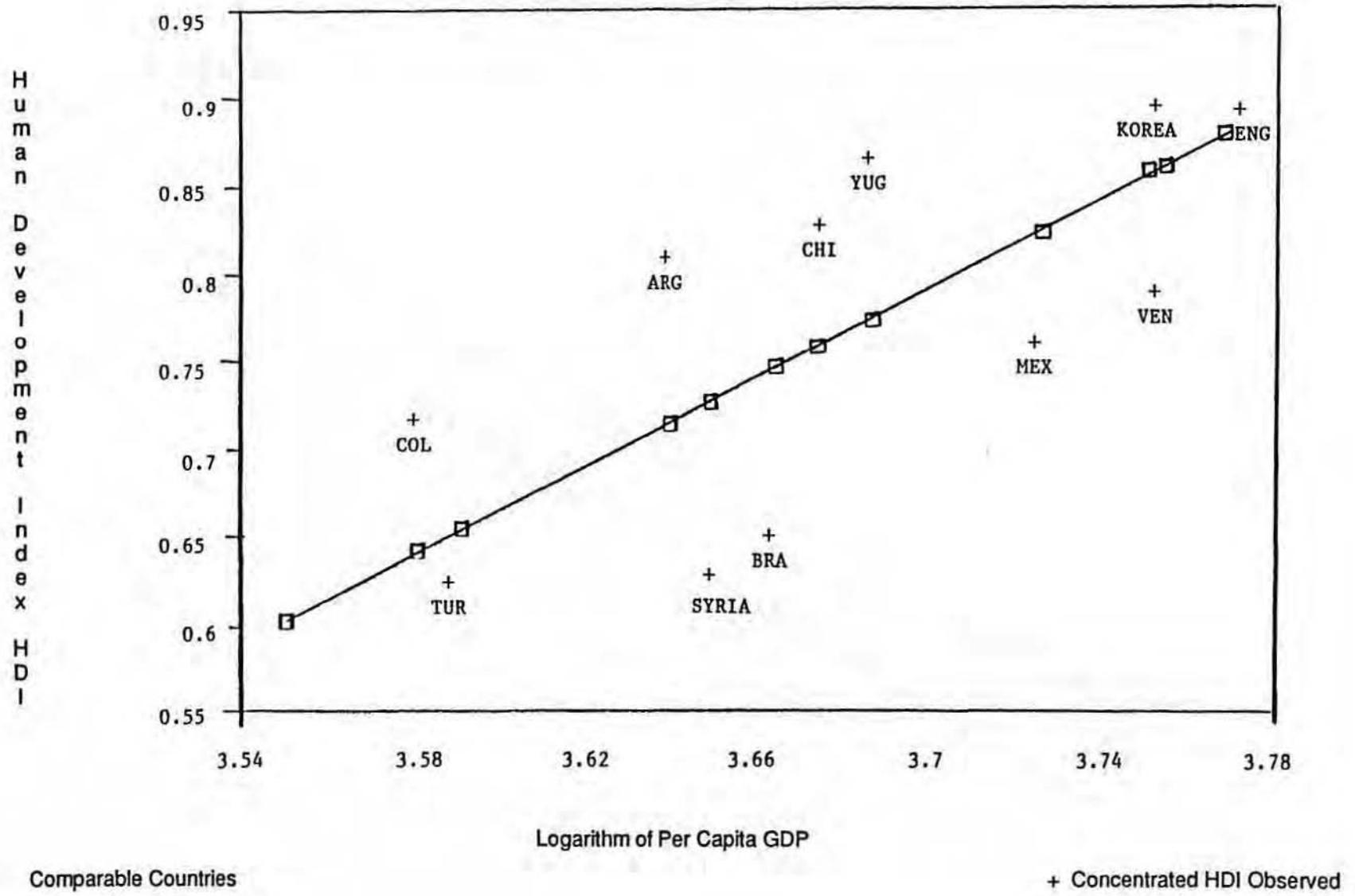


FIGURE 4
Economic and Social Development — HDI Corrected for Income Concentration
Parameters Showing Brazil's Position



References

- Avelino, George. 1991. "A previdência social no Brasil." Unpublished Master's Thesis, Universidade de São Paulo.
- Bustelo, E.S. and A. Minujin. 1991. "Social Policies in Times of Cholera." Unpublished paper, IPSA World Congress.
- Castro, Maria Helena Guimarães de, and Vilmar E. Faria. 1989. "Política social e consolidação democrática." In A. Barros, ed., *Políticas públicas e consolidação democrática* (São Paulo: Vértice).
- Draibe, Sônia Miriam; Maria Helena Guimarães de Castro; and Beatriz Azeredo. 1994. "The System of Social Protection in Brazil." Helen Kellogg Institute for International Studies, Democracy and Social Policy Series #3. An earlier version appeared in Portuguese, "Sistema de proteção social no Brasil" (NEPP-Campinas, September 1991).
- Faria, Vilmar E. 1991. "A montanha e a pedra: Os limites da política social brasileira e os problemas da infância e da juventude." In Ayrton Fausto et al., eds., *O trabalho e a rua* (São Paulo: CBIA/FLACSO/UNICEF and Cortez Editora).
- IPEA (Instituto de Pesquisas em Economia Aplicada). 1991. "O que mostram os indicadores sobre pobreza na década perdida." Unpublished report (Brasília).
- León, Arturo Batista. 1994. "Urban Poverty in Chile: Its Extent and Diversity." Helen Kellogg Institute for International Studies, Democracy and Social Policy Series #8. An earlier version appeared in Spanish, "Pobreza urbana en Chile: Su magnitud y diversidad" (Santiago de Chile, November 1991).
- Lopes, Juarez Rubens Brandão. 1994. "Brazil, 1989: A Socioeconomic Study of Indigency and Urban Poverty." Helen Kellogg Institute for International Studies, Democracy and Social Policy Series #7. An earlier version appeared in Portuguese, "Brasil, 1989: Um estudo socio-econômico da indigência e da pobreza urbanas" (CEBRAP, December 1992).
- _____ and A. Gottschalk. 1990. "Recessão, pobreza e família: A década pior do que perdida." *São Paulo em Perspectiva*, 4:1 (January-March): 100-9.
- NEPP (Núcleo de Estudos de Políticas Públicas). 1991. "São Paulo no século XXI." Unpublished preliminary report (Campinas).
- Rocha, Sonia. 1991. "Pobreza metropolitana e os ciclos de curto prazo: Um balanço dos anos 80." *Boletim Conjuntural* (12 January): 35-39.
- Romão, M. 1991. "Distribuição de renda, pobreza e desigualdades regionais no Brasil." In J.M. Camargo and F. Giambiagi, eds., *Distribuição de renda no Brasil* (São Paulo: Paz e Terra).
- Santos, W.G. 1991. "Notas sobre o estado mínimo no Brasil." Unpublished paper (Rio de Janeiro).
- Tolosa, H. 1990. "Pobreza no Brasil: Uma avaliação dos anos 80." Unpublished paper, COPPE/UFRJ (Rio de Janeiro).

UNDP. (United Nations Development Program). 1990. *Human Development: 1990 Report* (Oxford: Oxford University Press).

_____. 1991. *Desarrollo humano: Informe 1991* (Bogotá: Tercer Mundo Editores).

World Bank. 1988. *Brazil: Public Spending on Social Programs, Issues and Options* (Washington, DC: World Bank Report 7086-BR).