

# B R A Z I L R E P O R T

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## A COUNTRY OF INJUSTICE

Frequently one hears government authorities state that «Brazil is not a poor country, it is an unjust one». Although this acknowledgment is a positive fact, dealing with this situation is still far from satisfactory. The truth is that actions are marked by what one could describe as timidity on behalf of our governors.

Recognition by the government that this is an unjust country points to the need to articulate the question of poverty with that of social inequality. This means that the question of overcoming poverty should be associated with measures for redistribution, either by direct transfer of income, or indirectly, through social policies.

However, a series of obstacles are hindering the pursuance of this objective. The first of these concerns the structural adjustment and economic stability model adopted, known as passive adjustment, with promotion of what could be called a «dictatorship of the economists». Decisive questions for Brazilian society are monopolized by economic policies. This sets the scene for the practice –along with the preaching– of the well-known antinomy between economic development and social development that must urgently be overcome.

A second obstacle, of a more political nature, concerns the melding of conservative and patrimonialist political powers that give their support to the government. Added to this are the new federal arrangements arising from the 1988 Constitution which, while supporting federal or municipal bodies, create mechanisms that hinder solidary action between the three government spheres (national, state and local).

A third obstacle of a more strictly social nature refers to the magnitude of Brazilian social problems, given the geographical dimensions and size of the population. Thus, when talking in percentages of the population, we are always referring to thousands of people.

Consequently, poverty and social inequality have become enor-

mously complex. They are part of the challenge to urgently formulate a new project for society that will address the concept of improving the living conditions of the population, through deep social reforms. This task is not exclusive to the State or to society and the market, but the whole of society, including the State, making its regulatory role more important and fundamental, because of the magnitude of poverty and social inequality of the country.

### POVERTY AND SOCIAL INEQUALITY

It is still extremely hard to measure poverty and living conditions of the Brazilian population, due both to the lack of up-dated information and to the difficulty of making it compatible.<sup>1</sup> However, data from the Monthly Survey on Employment (PME), carried out in six Brazilian cities, show that with the Stabilization Plan, known as the «Plano Real», 3.8 million people live under the poverty line (Table 1), probably belonging to those segments of income with values closer to this line. The same data show that in metropolitan areas, the poor have lower income and also show greater inequities of income at the beginning of 1996 than at the beginning of the Plan in July 1994. According to Rocha (1996) «these results suggest that, from the standpoint of income, the segment of the poorer poor is being left out of the benefits of the stabilization plan» (Table 1).

At the same time, the same official document synthesizing the present government's strategy for social development<sup>2</sup> is still working with data for 1990, according to which 11.9% of the Brazilian population survives in conditions of indigence, making a total of 16.5 million Brazilians (Table 2). This means to say the same size and the same unequal distribution of indigence in regional

1 Estimates on poverty in Brazil are generally based on data generated by the PNAD (National Sample Survey of Households) taken annually (with the exception of 1994). The results of these surveys are not comparable to data deriving from the Census, which are more complete regarding income given the inclusion of indirect benefits such as transportation vouchers and food tickets, which have a significantly greater impact on the lower-income sectors. See Rocha, Sonia, *Renda e pobreza. Os impactos do Plano Real*. Rio de Janeiro: IPEA/DIPES, May 1996 (mimeo).

2 Presidência da República/Governo Fernando Henrique Cardoso. *Uma Estratégia de Desenvolvimento Social*. Brasília, 1996.

TABLE 1.

Poverty indexes in terms of insufficiency of income in 6 metropolitan regions		
	Proportion of poor	Number of poor
Brazil	%	thousands
July/94	42.24	16,339.4
July/95	32.07	12,564.6
December/95	27.34	10,774.7
January/96	28.74	11,327.2

Source: PME/IBG: Metropolitan regions: Recife, Salvador, Belo Horizonte, Sao Paulo and Porto Alegre.

In: Rocha, Sonia, *op. cit.*, p. 12.

terms as the findings of the Brazilian Report for the Social Development Summit.

TABLE 2.

Indexes of indigence relating to insufficiency of income 1990		
Brazil	No. indigents persons	Proportion indigent persons (%)
Norte (1)	1,952,578	38.0
Nordeste	9,089,059	22.0
Sudeste	4,035,814	6.6
Sul	1,622,909	7.5
Centro-oeste	820,344	8.2
Metropolitan	3,414,801	8.0
Urban	6,102,073	9.3
Rural	7,009,248	22.5
Total	16,526,122	11.9

Source: IBGE/PNAD, 1990 (Tabulações Especiais)

(1) Except for the rural stratum and the State of Tocantins, included in Goiás in the PNAD survey design.

In: Presidência da República/Governo Fernando Henrique Cardoso, *op. cit.*, p. 22.

There is a lack of agile instruments and mechanisms to assess the impact of economic and social policies on the living conditions of the population. But more serious still is the lack of persistence of economic policy guidelines in social policy regulations, associated with the national government's scant capacity for redistributive actions to address regional inequality. An example of this is the distribution of indigence by regions, where over 2/3 of the population subject to extreme poverty is concentrated in the

Norte and Nordeste regions. Thus, the option is not unfounded – when dealing with Brazil, to give priority to the analysis of economic and social inequality, instead of emphasizing poverty indicators.

Along this line of thought, the mean income of the richest 10% is 32 times greater than that of the mean income of the poorest 40%.<sup>3</sup> Going back to 1960, at that time the richest 20% concentrated 54% of income and the poorest 50% scarcely 18%. In 1990, these percentages were 65% and 12% respectively. Data for 1995<sup>4</sup> show the following distribution of monthly income: 1.7% earned over 20 minimum wages; 3.2% earned between 10 and 20; at the other extreme, 16.4% earned up to 1 minimum wage and 14.2% between 1 and 2 minimum wages.

This distribution shows considerable regional disparities. For example, in the Sudeste, 2.3% of the population earns over 20 minimum wages and 12.3% earning under 1 minimum wage, while in the Nordeste, these percentages are 0.7% and 24.7% respectively. Furthermore, this imbalance is even more evident when it is seen from the gender standpoint. Taking Brazil as a whole, while 2.8% of men earn a monthly salary of over 20 minimum wages, this percentage is four times less for women (0.7%). At the other extreme – those earning under 1 minimum wage – the situation is inverted, but not in the same proportion: 14% in the case of men and 17.9% in the case of women (Tables 3, 4 and 5).

Furthermore, the same trend is observed as that for 1990, concerning years of schooling. As to lower levels of years of schooling, women have an average 3 points lower than men. In the higher strata, this percentage is significantly higher in the case of women (Table 6).

The data concerning distribution by levels of income, insertion in the formal labor market and years of schooling by gender are not directly comparable. However, the discrepancies shown here infer that the labor market promotes a discriminatory selectivity with regard to women that is not in line with the level of training of the labor force.

According to IBGE, with regard to the rate of open unemployment (an average 5.5% in 1996), the industrial sector was the least active in the creation of new jobs, associated with a general increase in the output of employed people (around 8% in the first 10 months of 1996).<sup>5</sup>

Furthermore, between 1990 and 1993, over 91% of the Brazilians who joined the labor force did so in the agricultural sector, thus giving rise to a «return to the land». This trend is due to the economic crisis which mainly affects industry and some branches of tertiary activities. However, there is no indication that this increase in agricultural employment reflects an expansion of this activity, despite increased demand for human resources. During this period there was an increase of 40% of non-remunerated employees in this sector, accompanied by a drop of 0.94% in the

<sup>3</sup> UNDP/IPEA. *Relatório sobre o Desenvolvimento Humano no Brasil*. Brasília, 1996.

<sup>4</sup> IBGE–PNAD. The current value of the minimum wage is R\$112.00, to which the R\$/US\$ equivalence can be applied.

<sup>5</sup> The mean open unemployment rate averages the index of persons seeking employment. According to IBGE data, from January to November 1995 it was 4.64%, thus lower than 1996.

TABLE 3.

Distribution of persons 10 years of age and over, according to sex and classes of monthly income (minimum wages)						
Classes of monthly earnings (minimum wage)	Brazil	N Urban	NE	SE	S	C-O
Up to 1 MW	16.4	15.1	24.7	12.3	13.8	15.2
Between 1 and 2	14.2	14.9	14.9	13.3	14.9	15.8
Between 2 and 5	16.0	15.0	9.0	19.5	19.6	15.4
Between 5 and 10	6.9	5.8	2.9	9.2	8.1	6.6
Between 10 and 20	3.2	2.6	1.4	4.3	3.8	3.3
Over 20	1.7	1.4	0.7	2.3	1.8	1.9
No earnings	40.7	44.9	45.4	38.2	37.5	41.2
No information	0.8	0.3	1.0	0.8	0.6	0.6
Men						
Up to 1 MW	14.8	13.1	24.6	10.3	11.2	13.4
Between 1 and 2	16.8	18.0	19.9	14.3	16.8	19.5
Between 2 and 5	21.9	21.0	13.2	25.9	26.4	22.5
Between 5 and 10	9.9	8.1	4.1	13.3	11.7	9.1
Between 10 and 20	4.8	3.8	2.0	6.3	5.8	4.8
Over 20	2.8	2.1	1.2	3.8	3.0	2.9
No earnings	27.8	33.4	33.6	25.0	24.2	26.8
No information	1.1	0.5	1.4	1.1	0.8	0.9
Women						
Up to 1 MW	17.9	17.0	24.8	14.3	16.2	17.0
Between 1 and 2	11.8	11.9	10.1	12.5	13.1	12.1
Between 2 and 5	10.5	9.4	5.1	13.5	13.1	8.5
Between 5 and 10	4.1	3.6	1.8	5.4	4.7	4.1
Between 10 and 20	1.8	1.5	0.9	2.4	1.8	1.9
Over 20	0.7	0.7	0.3	0.9	0.7	0.8
No earnings	52.7	55.6	56.4	50.6	50.2	55.3
No information	0.5	0.2	0.5	0.6	0.4	0.3

Source: PNAD-1995. The data for the rural population of Rondônia, Acre, Amazonas, Amapá, Roraima and Para are not included. The item «No earnings» includes persons who only receive benefits.

number of people earning salaries in agriculture.<sup>6</sup>

The agricultural issue in Brazil is relevant in terms of social inequality, concentration of income, the strength of the rural workers organization (Movimento dos Trabalhadores Rurais Sem Terra) and the violence which characterizes rural conflicts. The concentration of wealth by large land-holders is obvious in the fact that 0.9% of the large agricultural landowners hold 35.8% of the land, representing 118.4 million hectares (one hectare equals 10 thousand square meters). Of the remainder, 2.8% of the landowners hold 56.7% of the total area and are considered to be large landowners; 89.1% of the landowners hold 23.4% of the total area

TABLE 4.

Gini index on the distribution of monthly income of people 10 years of age or over – with no earnings – according to sex – 1985-1995			
Year	Men	Women	Total
1985	0.593	0.596	0.609
1986	0.590	0.577	0.602
1987	0.598	0.596	0.611
1988	0.618	0.610	0.629
1989	0.638	0.623	0.647
1990	0.612	0.606	0.620
1992	0.573	0.544	0.575
1993	0.604	0.567	0.603
1995	0.592	0.563	0.592

Source: IBGE/PNAD-1995

Does not include data concerning the income of the rural population of Rondônia, Amazonas, Roraima, Pará and Amapá.

TABLE 5.

Recent evolution of growth and inequality 1989-1995			
Years	Annual growth of per capita GNP (%)	Portion of income of 50% poorest people (%)	Portion of income of 20% richest peop.(%)
1989	+1.4	11.8	62.4
1990	-5.9	12.3	62.7
1991	-1.3	13.6	60.2
1992	-2.3	12.9	61.3
1993	+2.7	12.2	62.2
1994	+4.3	10.4	65.7
1995	+2.7	11.6	63.3

Source: Pesquisa Mensal de Emprego – IBGE

In: Neri, M. and Considera, C. «Crescimento, desigualdade e pobreza: o impacto da estabilização»; IPEA. *A economia brasileira em perspectiva – 1996*. Rio de Janeiro, vol. I, 1996, pp. 49-82, p. 52.

TABLE 6.

Years of schooling by sex – Brazil		
Classification	Men	Women
No instruction or <1 year	16.7	13.7
1 to 3 years	19.2	16.8
4 to 7 years	33.7	31.5
8 to 10 years	13.0	12.9
11 or more	17.3	24.9

Source: PNAD – 1995.

and are considered to be small landowners; and 8% hold 19.9% of the total area and are considered to be medium-sized landowners. However, only 26.3% of the land is productive. Added to this is the fact that recently (August 1995–August 1996), the cultivated agricultural area has decreased in Brazil (nearly 800 thousand hectares). The drop in production mainly occurred in the production of staples, causing damage primarily to the low-income city dweller. Several studies on the subject report that the small and medium-sized rural producers have been the hardest hit by the agricultural policy that is being implemented and have reduced the areas of their plantations and consequently, their production.<sup>7</sup> It is considered that the high rates of interest of the Plano Real have led to default of nearly 40% of the rural sector.

Finally, it should be noted that although Brazil has risen from 64th place to 58th place in the HDI ranking in the 1996 UN Report on Human Development, it continues to head the list of countries with the worst distribution of income, and is recognized as a country having «inhuman growth», although it is classified 13th among the countries having the most potential to reduce poverty.

A World Bank Document disseminated in 1996 reports that although Brazil spends nearly 15% of its GDP on the social area, during the first half of this decade the country did not show any reduction of poverty (it is calculated that 24 million Brazilians live below the poverty line) or any improvement in social indicators. It reports the persistence of the country's historical trend of social policies that allocate proportionally more to the non-poor than to the poor: it is estimated that only 15% of investment in the social area is allocated to the poorest 20% of the people, while the richest 20% ends up with 21% of such investment.<sup>8</sup> Thus it is not a question of adjusting the volume of resources allocated to social spending, but instead of reverting the two driving forces behind the dynamics of the sector: 1) the imposition of economic rationality guidelines on social policies, which once again create oppositions between economic development and social development; 2) the inability shown thus far to revert the perverse historical logic of the country's social policies, which instead of compensating for inequality end up reproducing it.

## STRATEGIES FOR THE SOCIAL AREA

The current government's social development strategy proposes four subsets of actions: a) maintaining the necessary and «not yet sufficient» conditions to promote improvement of the standard of living of Brazilians, i.e., ensuring macroeconomic stability, reforming government, and resuming economic growth; b) concentrating efforts on «universal» basic social services: education, health, social welfare, housing and basic sanitation, employment and social assistance (which account for over 90% of

social spending); c) addressing bottlenecks (such as agrarian reform) with a view to accelerating the process of reform and restructuring of social services and providing attention to the socially most vulnerable groups (reduction of infant mortality, training of young people and minimum income for the aged); and d) articulating partnerships between government and civil society, as seen, according to the government, in the actions of the Solidarity Community Council.<sup>9</sup>

The body for articulating the government's social programs is the Social Policy Chamber of the Civil Department of the Office of the President of the Republic, which is responsible for guaranteeing financing flows and for the quality of management, and supporting and monitoring the set of actions.

## EDUCATION

Basic education is the priority, with a view to improving the quality and the value given to teaching, and geared to redistribution and equity. The reference here is spending per student per year, ensuring a minimum of R\$300.00/year per student, and guaranteeing that 60% of resources be allocated to payment of classroom teachers. The Basic Education and Teacher Appreciation Development Fund was created to this end, to ensure on-going allocation of some R\$12 billion/year to basic education.

The Distance Education Program seeks to upgrade the training of public education teachers and to equip school units with TV, video, etc. The National Textbook Program aims at coverage of 30 million students, guaranteeing free distribution of basic education texts. The Program for Democratization and Expansion of Vocational Training is geared to addressing the diverse demands of the job market.

For 38 municipalities with high illiteracy rates the Solidarity Community Council created the Solidary Literacy Training Program, which seeks to train local literacy trainers. Another 42 municipalities have already enrolled in this Program. The government's actions in the sector have prioritized the least-advantaged sectors of the population, dealing with serious difficulties and enormous regional diversities between states and municipalities.

## HEALTH

Brazil's health indicators reflect a situation with a morbidity profile comprising the illnesses of poverty and of wealth, characterizing what some call an «epidemiological transition», and a collapse of the Health Care System, which is reflected in the overall health picture. This can be seen in the fact that 25% of hospitalizations in the Health Care System in 1995 were caused by complications of pregnancy/childbirth.

<sup>7</sup> INESC. *Informativo – Análises e Informações Legislativas*. Brasília, year X, Nº 70, Oct. 1996.

<sup>8</sup> IBRD. *Brazil, a Poverty Assessment*. Washington, 1995.

<sup>9</sup> This system is based on the aforementioned document *Uma Estratégia de Desenvolvimento Social*.

This is the social sector that is facing the greatest crisis, despite the fact the infant mortality rate dropped from 47 per thousand live births in 1990 to 42.5 in 1995.

The set of government actions related to the health sector prioritizes improving the health situation through: 1) actions geared to comprehensive health care for women and children, with emphasis on the reduction of infant mortality; 2) prevention and recovery from malnutrition; 3) access to basic sanitation services; 4) institutional reorganization of the sector, which has been hit by a serious financing crisis.

Thus, the goals defined have been to reduce the infant mortality rate to 22.6/1000 live births by the year 1998; to strengthen the Comprehensive Women's Health Care Program by concentrating efforts above all on 913 municipalities defined as having the highest risk; the National School Food Program, whose objective is to provide supplementary nutrition 180 school days a year to public elementary school pupils; and the Emergency Food Distribution Program, consisting of distribution of basic food supplies to disadvantaged populations in the poverty-stricken municipalities identified by the Solidary Community.

Here two specific programs warrant mention: the Family Health Care Program and the Community Health Agents Program. The first organizes health teams which are responsible for geographic areas having from 600 to 1000 families. These teams are composed of a general medical practitioner, 1 nurse, 1 nurse's aid, and 6 community agents. The second, geared to pockets of poverty, involves training of health agents for orienting assistance to infants and children, who are recruited among the members of the

community itself.

Finally, in the areas of sanitation and housing priority is being given to low-income populations through the Social Action for Sanitation Programs –known by their Portuguese-language acronym «PASS»– geared to universalization of services for water supply, sewage and collection/ management of solid waste in areas having the largest concentration of poverty in the municipalities identified by the Program for Reduction of Infant Mortality and by the Solidary Community; and PROSEGE, geared to families with income of up to 3 minimum wages.

### NATIONAL HUMAN RIGHTS PROGRAM

Unfortunately, Brazil is still known for the violence reflected in the violation of human rights, including its police violence, high crime rate, slave and/or child labor, child prostitution, non-access to the courts of justice, drug trafficking, mass murders, etc.

During the first half of 1996 the government launched the National Human Rights Program, drawn up following broad-reaching consultation with society. Although it is one of the current administration's most important initiatives, it lacks precise goals. Beyond that, the process of legislation on various questions involving human rights is moving slowly through the National Congress, pushed along by the reform agenda at the pace defined by maintenance of the stabilization plan.

### LABOR, EMPLOYMENT AND INCOME

### WOMEN'S RIGHTS

As regards actions and initiatives on gender questions, we should note that the majority are concentrated in the health area, in line with the lengthy experience of the women's movement. The protocols assigned by the national Women's Rights Council include:

- In the health area: as regards family planning, the protocol requires implementation of specific actions within the scope of the Health Care System and execution of a national program for prevention and treatment of uterine and breast cancer, with special emphasis on women between 35 and 49 years of age.
- In the education area: commitment of the Ministry of Education to incorporate contents that are non-discriminatory in relation to women, as well as subjects promoting equality of men and women, in its school TV curriculum and in the textbook selection criteria. Thus, the democratization of gender relations is being sought through schooling.
- In the labor area: The Ministry of Labor, recognizing the process of feminization of poverty, is promoting training programs geared to adolescent victims of sexual exploitation and women heads of households.

The National Population and Development Commission was created in November 1995, as an agency of the Ministry of Planning and Budget. Its mandate is the implementation of the resolutions defined at the Cairo Conference, which has been expanded to include all the UN social agenda recommendations. Special emphasis is given to support for public policies related to population and development, particularly in relation to reproductive health.

Finally, the Intersectorial Commission on Women's Health was reinstated in November 1996. Its priority is to translate international recommendations into the national health policy agenda, i.e., to monitor implementation of the Comprehensive Women's Health Care Program (PAISM).

Here we should underscore the actions of PROGER –at both urban and rural levels– to generate employment and income through support to small and micro entrepreneurs, by facilitating access to credit; Proemprego, which supports projects for investment in infrastructure to increase employment opportunities and improve the living conditions of the population (selected investment areas include: mass transportation; environmental correction; railways; waterways; ports; and tourist infrastructure); People's Productive Loan Program, geared to providing new financing mechanisms, through BNDES, for generation of employment and income among the low-income population.

In the rural sector we should point to the efforts by: Program for Settlement of Rural Workers, whose objective is to aid in the settlement of landless farm families, and whose goals include settlement of 60,000 families by 1996 (which was not met), and 180,000 families between 1997–1998; and PRONAF (National Family Farm Strengthening Program), geared to supporting mini family farms through access to credit, agricultural support services, and reorganization of infrastructure for family farming.

## SOCIAL SPENDING

Since the second half of the 1980's –with the exception of 1991 and 1992 during the Fernando Collor administration– federal social spending has shown a rising curve. In 1986, US\$43.9 billion was spent; US\$52.2 billion in 1990; US\$43.1 billion in 1992; US\$54.9 billion in 1993, with the emphasis in all cases being on the areas of health and education.

In the recent period that trend has been maintained, as shown in Table 7. Taking the 1995 budget as the basis, the level foreseen in the 1997 federal budget (which represents half the overall budget, with the exception of the refinancing of the public debt) represents a growth of 36.6%.

Upon comparing the figures for the 1995–1997 period, we find a change in the priority of spending on education, where basic education spending will be increased by 57.7% in relation to 1995. The increase in the volume of resources for health (in the area of R\$5 billion) derives basically from collection of the new CPMF tax; and the growth in the item for Assistance and Welfare is due to expansion of spending on welfare benefits, linked to collection of contributions (Table 7).

Meanwhile, if we analyze the data from Table 8 we note that the priorities for 1997, in relation to 1996, define the priorities, in decreasing order, as distribution of food (a 314% increase in resources); farm and rural settlement, including agrarian reform (a 117% and 177% increase in resources, respectively); and housing projects (a 93% increase). Table 9 presents federal spending for 1996.

Nevertheless, with the exception of items related to education (basic education and school snack) at September 1996, of the resources allocated for the other items, the maximum actually spent was 50%. This reflects two types of obstacles: the bureaucratic and institutional difficulty in executing programs; and the non-disbursement of resources by the National Treasury. The

TABLE 7.

Social Spending			
In R\$ million			
Social Spending	1995	1996	1997
Education and culture	9,165	10,225	11,514
– Higher Education	4,477	4,783	4,946
– Basic Education	2,252	2,634	3,551
Housing & Urban Development	109	2,066	2,122
Health and Sanitation	14,782	14,513	19,509
Labor	5,523	9,488	10,276
– Worker Protection	3,782	5,830	6,659
Assistance and Welfare	52,576	64,231	69,094
– Assistance	966	2,131	2,295
Total	82,155	100,523	112,515

Source: 1997 National Budget proposal.

Note: The 1995 values refer to actual spending, whereas those for 1996 and 1997 refer to budgeted spending.

TABLE 8.

Federal Government Social Spending (in R\$ thousands)				
Areas	Budget 1996	Spending thru Sept. 96 (%)	Budget 1997	% in relation to 1996
Children and adolescents	4,361,466	50	4,535,409	4
Urban policy	1,107,435	16	1,008,478	-9
Food security	12,141,612	36	12,834,914	6
Ministry of Environment	580,390	13	356,803	-39
Environment Policy	123,076	25	115,245	-6
Farm incentives (including agrarian reform)	942,268	37	2,606,918	177
Expansion & Upgrading of technical training	101,919	4	35,000	-66
School Snacks	600,000	68	632,483	5
Basic Education	317,799	84	152,821	-52
Unemployment insurance	4,308,815	53	5,217,401	21
Housing projects	101,293	-	196,000	93
Rural settlements	92,171	9	200,000	117
Food and nutritional assistance	193,000	7	200,000	4
Irrigation & wetland usage	268,715	7	100,885	-62
Food distribution	47,916	9	198,600	314

Source: Instituto de Estudos Sócio-Econômicos (INESC).

lack of a linear time schedule for distribution of resources by the treasury during the fiscal year allows resources to be regeared for strictly economic purposes. Federal spending on health, for example, was US\$95.97 in 1995, and only US\$88.70 in 1996. This cut is explained by the government as temporary, since it was caused

TABLE 9.

Federal Social Spending – 1996			
Areas	R\$ million	% Spend.	% GDP
Social Welfare	60,751	39.5	7.45
Health	9,194	6.0	1.13
Education	8,035	5.2	0.98
Labor	3,831	2.5	0.47
Sanitation and Housing	1,865	1.1	0.20
Social Assistance	583	0.4	0.07
Subtotal	84,079	54.7	10.13
Other	1,491	1.0	0.19
Total	85,570	55.7	10.49

Source: IPEA.

by problems of a fiscal nature.

As regards international cooperation, there has been a convergence of the country's current policy guidelines –flexibilization, elimination of monopolies, privatization, broadening of the economic liberalization process, social security reform, and others – and the proposals of the various international organizations, which has permitted a rapprochement of the organizations in relation to Brazil. Nevertheless, in keeping with their agenda for developing countries, loans are for the most part geared to programs to alleviate poverty, which are not articulated in a medium –or long– term strategy for surmounting poverty (Table 10).

## DECENTRALIZATION AND SOCIAL PARTICIPATION

As of the 1988 Constitution, states and municipalities assumed responsibilities in the social area, although without clear delimitation of the competencies of each sphere of power. Since then a highly diversified range of social actions and programs, with close participation of society, has arisen at the local level. Among the innumerable experiences, we should underscore those relative to institution of minimum income programs linked to enrollment of children in school, for low–income families. These programs reflect two phenomena deriving from the country's social policies: at the federal level, the prevalence of a decision–making process –on the part of the Legislature and the Executive– that does not

TABLE 10.

Sectoral participation in loans approved by the World Bank for Brazil 1987–1994				
Sectors	1987 - 1990 US\$ millions	%	1991 - 1994 US\$ millions	%
Agriculture	2,279	47	372	10
Energy	479	10	260	7
Transportation	604	12	308	8
Finance	—	—	350	9
Urban Development	575	12	404	11
Sanitation	410	8	794	21
Health and Nutrition	475	10	160	4
Education	74	2	1,059	29
Brazil	4,896	100	3,707	100

Source: World Bank reports – various years.

permit establishment of the minimum income program at the national level; and at the local level, it is a program that associates poverty–alleviation measures with poverty–eradication measures. These programs proliferate throughout national territory, and appear in the most varied areas –farm sector, generation of employment and income, senior citizenry, aid to prostituted adolescents, prevention and treatment of STD/AIDS, selection and collection of garbage associated with income generation or not, fighting hunger and malnutrition. Independently from national guidelines, these initiatives maintain a Brazilian characteristics as regards participation of society: social mobilization and organization are not a substitute for government responsibility.

In Brazil today, these are the experiences that are enhancing the prospects for building a democratic society, with the active participation of citizens in the molding of a solid public sphere. It is a promising road, where society is assuming its responsibility by demanding that public powers effectively implement redistributive social policies freed from economic dictates.

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