

## **NHDR Write-Up: VDA Practitioner Course on Human Development**

### **Brazil: Human Development Report 2006**

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One of the key HD challenges faced by Brazil is the level of inequality, particularly as it relates to distribution of income across different social strata. Gini coefficients (from 0 to 1) are soaring until 2005, while the HDR 2006 presents a significant improvement. Brazil is still placed in the 10<sup>th</sup> ranking as most unequal nation among 126 countries with 0,580 Gini index, ahead of Colombia, Bolivia and Haiti and five Sub-Saharan countries. A country with GDP per capita of 8,800 (2006) which has not yet translated high economic income into social benefits as it could.

Disaggregated statistics on development demonstrates that Brazil's underachievement is concentrated in specific geographical areas of the country (with emphasizes on the Northeast and North regions) and affects certain racial groups differently, with black descendents accounting for more than half of the poor.

In 1998, a Brazilian Atlas of Human Development, including a series of national and sub-national HDRs, focused in producing extensive disaggregated data by more than 5,000 municipalities to unveil a more complex picture than merely an urban/rural divide. The expansion and use of municipalities HDI, as a useful public policy tool for redressing social needs and making budgetary decisions, was thanks to the success achieved by Minas Gerais in earlier years. This state adopted the 'Robin Hood law' aimed to ensure a fair distribution of tax revenues to municipalities ranking lower in the HDI. Since the publication of the Atlas, which uses a 1996 baseline, the number of the poor calculated to be 42 million, or 30% of the total population, has decreased. However, challenges in the provision of social services to communities geographically isolated or affected by harsh climatic conditions and water shortages due to be aggravated with mounting climate change effects is still evident. This has attracted further political attention since across the 26 states in Brazil, those located in the Northeast and Northern region perform worse in all HDI indicators (health/longevity, education and income) vis-à-vis to the entire country. That is indeed not surprising that those regions represent more than 80% of the poor in the country. The Government has maintained a database with over 100 disaggregated indicators by race profile, social economic conditions and geographical location, which provides a valuable tool for public policy making.

Within states that have traditionally performed better on socio economic indicators (e.g. Sao Paulo, Rio de Janeiro), a racial profile based on calculating different HDIs by each social segment is being used. The methodology, based on the 2004 NHDR, aims to map how much better the white population does in accessing education and health services, broad economic opportunities and political participation compared to mixed, black and indigenous groups. This exercise aims to demystify the idea of a simplistic 'racial democracy' historically defended by the Government. In principle, the Brazilian Government supports an integrationist/universal policy rather than a divisive one as compared to the United States and South African Governments, which makes the use of affirmative action a controversial issue, particularly considering that Brazil is indeed a 'mixed' racial country. However, the HDI calculations aims to further point out areas where greater social investments are needed in order to boost economic development prospects in a more equitable way – since inequality has always been a battling issue.

Although, there is growing undisputable evidence that race is a key factor in the distribution of income, wealth and public services and the need for policies to respond to race-based exclusion; development practitioners and policy-makers recognize that geographical isolation and climatic effects need to be addressed jointly as critical HD challenges.