Brazil and the USA: Growing Closer in All Dimensions

by Fernando Luiz Lara

Winter sunsets can be quite colorful in Brasília. Last June was no different, and a delegation of 30 University of Texas faculty, students, and administrators enjoyed the yellows and reds in the sky of the Brazilian capital from inside the Congress Building. We were right below the famous twin cupolas designed by Oscar Niemeyer, celebrating with Brazilian counterparts a full day of intense conversation on the future of higher education in the Americas. Six days later the country exploded in protest and that very same view was transformed. Thousands took to the streets in every major city, and in Brasília the mass protests happened right below, in front of, and above the room we were in, framed by the same beautiful sunset colors.

For this reason and many others, we must recall the day on which UT president Bill Powers and CAPES[1] president Jorge Guimarães signed an agreement that will bring hundreds of Brazilian students to the UT Austin campus (about 110 have been here already) supported by the Ciências sem Fronteiras (Sciences without Borders) program. That same week, vice president for research Juan Sanchez and LLILAS Benson director Charlie Hale met with leaders of FAPEMIG (Fundação de Amparo à Pesquisa do Estado de Minas Gerais) and FAPESP (Fundação de Amparo à Pesquisa do Estado de São Paulo) to fine-tune the details of research agreements that will make 700,000 U.S. dollars available for collaborations with Brazilian colleagues during 2014–2017.

In order to properly guide those projects toward the most relevant issues, the twenty-plus faculty members who came to Brasília were divided in three groups: Natural Sciences; Energy and the Environment; and Social Inclusion. Each group, composed of UT faculty and their Brazilian collaborators, discussed its research priorities and possible funding sources so that we can now channel our resources to those topics. The fight against inequality has always been a focus of the LLILAS Benson community, and those days in Brazil made explicit an inherent paradox. The Brazil that made significant progress toward equality (I elaborate further below) and can now afford to send 100,000 students abroad still has enough problems to bring its population to the streets in fury for myriad reasons.

You might ask, why is Brazil so important that it deserves all this effort? Each of our forty-eight Brazilianist faculty affiliates has a different reason for studying Brazil. LLILAS Benson's Brazil Center at The University of Texas at Austin is indeed the largest and most diverse center for Brazilian studies in the Northern Hemisphere.

Our faculty work on issues as diverse as water, inequality, freedom of the press, race relations, developmentalism, urbanization, politics, history, and ecology, to name just a few. With Brazil being the Americas' largest country in contiguous area, and the second in population and GDP, there are hundreds of reasons why people all over the world should learn more about it. Let me elaborate on one reason that you probably have not yet considered.

In modern history, Brazil has always played the role of the "other" to the United States. Traditional scholarship in the twentieth century has emphasized the many differences between the two societies. There was, indeed, a different modernization path, a different political system, different values, and different cultural expressions. But my main argument in this short essay is that those differences have been overplayed. Brazil and the U.S. are much more similar than both societies would like to admit.

In fact, both countries have always used each other as an alterity, an "other" against which to define oneself, to borrow from Edward Said's classic study of orientalism. For the typical North American, Brazil is chaotic, exotic, and erotic. Defined by tropical exuberance and violent cities, the southern country indeed has its beautiful women, its rhythmic musical expressions, and its joyful soccer, which function as major international brands. But while those clichés dominate North American minds when they think of Brazil, few people notice that they fly on Brazilian-made airplanes for half the regional flights they take in North America. Or that the new granary of the world is in fact Brazil, where plenty of land, sun, and water produce edible crops and meat for the wealthy third of our planet, for no other country has as much of those three resources together. Meanwhile, the typical Brazilian thinks of the U.S. as the land of plenty: plenty of calories, plenty of greed, plenty of guns, and plenty of individualism. Both societies built their twentieth-century image in contrast to each other, and those stereotypes die hard.

But among all those differences there are substantial similarities. I would argue that after diverging for a century or so, the two societies are converging fast. There is not enough space in this short essay, nor am I a historian of colonial times, although I can speak for the history of our built environment. But I remind our readers that the colonial experience around the Gulf of Mexico was no different from that of the Brazilian plantations: removal of native inhabitants and massive importation of African enslaved labor fueled the production of commodities aimed at the global market.

The early modernization of the United States in the nineteenth century radically changed this picture, something that only took place in Brazil a century later. By the late 1970s both nations were as far apart as they have ever been. The U.S. had a mature democracy and high living standards, while Brazil was ruled by a military dictatorship and the large majority of its population lived in destitute poverty. What happened in the 1980s has yet to be better analyzed. While the United States dismantled many of its regulations and saw the balance tip too far against labor and in favor of capital, Brazil got back on its feet with a new constitution and the political stability that would start to change that shameful picture in the decades ahead. As we move forward into the second decade of the twenty-first century, the two countries, I argue, are becoming more and more alike each day.

As part of this trend, there is one inconvenient convergence looming on the horizon. Before the end of President Barack Obama's second term, the United States will most probably be as unequal as Brazil, that is, both nations will have the same Gini coefficient. This will not make Latin America in general or Brazil in particular any more relevant to the U.S. political conversation, but it might signify a turning point in the way that inequality is discussed both here and there.

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Let's look at the numbers: The Gini coefficient is the most commonly used measurement of income inequality; a Gini of 0 signifies perfect equality, a Gini of 1 perfect inequality (one individual holds all the wealth). The U.S. Census Bureau determined the nation's Gini to be 0.477[2] in 2011, a significant change from four decades prior, when it was around 0.36. The OECD estimate[3] is even worse, at 0.499 pre-tax in 2011. The Census Bureau numbers show U.S. inequality growing at an average pace of 0.004 points in the first few years of the past decade, and twice as fast since 2008.[4] With no major change on the horizon—ensured by the divided and polarized U.S. Congress—U.S. Gini numbers could be right around 0.5 before the next presidential elections.

Meanwhile in Brazil, inequality is diminishing at a steady pace. After reaching an outrageous 0.6 in the mid-1990s, the Brazilian Gini index retreated a bit to 0.585 in 2002 and has since gone down at a pace of 0.006 per year, reaching the record low of 0.508 in 2012. It is expected to drop below the 0.5 line sometime around 2015 at the latest.

Beyond the inevitable surprise of finding out that the United States will soon be as unequal as Brazil, the consequences of this shift are already transforming both societies. In Brazil there is much to celebrate, as economic growth and diminishing inequality come together for the first time in many generations. The government of Luiz Inácio "Lula" da Silva bragged that 40 million people were raised out of poverty since 2002, a number corroborated by the Brazilian Banking Federation, FEBRABAN, which reported adding over 40 million new clients during the same period. That amounts to one entire California or the sum of Texas and Florida becoming consumers in a single decade.

But the very improvements that push Brazilian life expectancy to higher levels are also plunging fertility rates to alarmingly low levels. An older Brazil could very soon encounter the troubles of Italy or Japan. In addition, income growth is tied to consumerism and associated with two negative consequences that the U.S. knows all too well: dangerous levels of personal debt and growing obesity. In addition, Brazilian cities are choking with traffic as a result of the U.S.-inspired reliance on the automobile, a sign of status for the country's giant new middle class. Yet another sad convergence: the crime that made Brazilian cities infamous in past decades is down in wealthier areas and worse in the impoverished periphery of every major city.

It is interesting to note the strong relationship between this economic model and the protests of 2013. While so many aspects of life got better in the last decade, Brazil's cities undoubtedly got worse. The same growth in wages that fueled consumption also fueled, with the help of easier credit, an unprecedented increase in real-estate values. The result is that despite making more money and having access to more goods, the Brazilian working class has been pushed farther and farther to the urban periphery. Add to this stagnant investment in public transportation and exuberant spending on stadiums and hotels for upcoming mega-events and you have the perfect recipe for protest.

Back in the United States those sad numbers are slowly entering the broad political conversation—see the Occupy and 99 percent movements as well as articles by Nobel laureates Joseph Stiglitz and Paul Krugman—but they have not been discussed by the population at large until very recently. Mitt Romney's "47 percent" comment might have marked a paradigm shift, but even then the discussion was never about an asymmetrical distribution of wealth being intrinsic to contemporary capitalism. If there is one thing that the Brazilian Left should be proud of, it is the fact that inequality has been a major topic of political discussion in that country since re-democratization in the mid-1980s.

U.S. society will probably be quite disturbed (and correctly so) at becoming as unequal as Brazil, and this might trigger a national conversation about ways to address this issue. It will indeed be quite inconvenient when those Gini coefficients converge. Even more intriguing is the realization that Brazilians are also bothered by the convergence. The same left-wing intelligentsia that brought inequality to the forefront in the 1990s and successfully reduced it in the 2000s has always portrayed the United States as the land of untamed capitalism and rampant consumerism. To see Brazil following on the same path is quite uncomfortable.

Protest at the Brazilian National Congress, Brasília, June 17, 2013

Photo by Valter Campanato, Agência Brasil

In the 1960s, Latin American scholars coined the term "dependency theory" to explain the asymmetrical development of the region and the difficulty of breaking out of it at the dawn of financial globalization. Fifty years later, the Gini convergence will imply a paradigm shift that renders the old dependency theory quite useless. Yet there is nothing to fill this void, no sign of a "convergence theory" that might help us understand what the present means and what the future entails in both countries.

The Brazil Center at LLILAS Benson will continue to work on both the divergences and the convergences between these two societies, hoping to enrich these topics with scholarship, debate, and innovative thinking. As we approach our twentieth anniversary, the Brazil Center is very well positioned to lead such a conversation in North America, engaged with our colleagues in the South while developing a comparative perspective among all the Americas, which is precisely the strength of the LLILAS Benson community.

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Notes

1. CAPES stands for Coordenação de Aperfeiçoamento de Pessoal de Nível Superior, the Brazilian Federal Agency for the Support and Evaluation of Graduate Education.
2. See U.S. Census Bureau, "Income, poverty and health insurance coverage in the United States: 2011," available at http://www.census.gov/newsroom/releases/archives/income_wealth/cb12-172.html.
3. Organisation for Economic Co-operation and Development, "Income distribution and poverty: By country," available at http://stats.oecd.org/index.aspx?queryid=46022.
4. See U.S. Census Bureau, "Table RDI5. Index of income concentration (Gini index), by definition of income: 1979 to 2003," available at http://www.census.gov/hhes/www/income/data/historical/measures/rdi5.html.