



Article

Sustainable Human Development Case Study: Brazil

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Abstract: This paper analyzes the sustainable human development performance of Brazil, by giving a comprehensive account of what is faring well, as well as what areas are lacking in performance. Sustainable human development (SHD) is the ability to achieve development standards in the present that can be sustained for future generations. I have used a qualitative case study methodology, as well as a comparative analysis to explore the development context within economic, political, social, and environmental sectors that all contribute to SHD. Although Brazil exhibits economic strength, environmental factors continue to be a concern. However, political instability and inequality further impair development in these other areas.

Keywords: Brazil, development, corruption, economic growth, political instability, governance

1. Introduction

The goals of this paper are to analyze the sustainable human development performance of Brazil, and give a comprehensive account of what is faring well, as well as what areas are lacking in performance. Sustainable human development (SHD) is the ability to achieve development standards

in the present that can be sustained for future generations. The components of SHD are centered on people, by empowerment and creation of an environment where they can attain their goals as a society in a sustainable manner. It seeks to develop people's access to opportunities, participation in the development and governance process, and improvement of equitable distribution to ensure sustainability across generations and focus on the common good. This field of study is interdisciplinary, and so encompasses all aspects of economic, political, and social development. (UNDP, 1995)¹

The case study methodology chosen for this paper is a qualitative analysis method used to examine a particular trend that has or is occurring, by analyzing a limited number of cases to reach a conclusion. Some critics argue that a sound deduction cannot be made by a small sampling number of cases; others argue that the information is biased. However, case study methodology continues to provide extensive results on tested theories. Because this methodology is easily applicable to real-life, contemporary, and human situations, it enables us to better understand broader complexities and relate them to certain experiences. (Soy, 1997)² I have also initiated a comparative analysis by examining the comparator country of Argentina in the development context, and how it compares to Brazil.

Data sources used to complete this case study primarily are the World Bank Development Indicators and United Nations Development Programme Human Development Index. Other sources used are the Freedom House Freedom in the World and Freedom of Press indices, Heritage Foundation Economic Freedom Index, Fund for Peace Failed States Index, Transparency International Corruption Perception Index, as well as the World Bank website for additional information. Additional source information can be found in the bibliography at the end of the study.

Political and military forces have interrupted Brazil's development history on numerous occasions. After gaining independence from Portugal in 1822, the military disposed of the emperor in 1889 and continued to control the country until a constitution was formed in 1894. Political and economic unrest continued, and a military coup took over the government and placed Getúlio Vargas in the office of president in 1930. Because of his leftist reforms, the conservative military took him out of office, and created a new constitution in 1946. (Brazil History, 2009)³ Although Vargas won the election again in 1950, the military demanded his resignation four years later, and Vargas committed suicide. Inflation and debt continued to grow, and promises to end corruption continued to be unfulfilled. In 1964, the military disposed of another democratically elected president, João Goulart, and imposed a military dictatorship for the next twenty-one years. Brazil became a democracy once again in 1985 with the election of Tancredo Neves, yet he passed away before taking office and his Vice-President José Sarney was sworn in. The new democratic constitution was created in 1988, and Fernando Collor de Mello was elected in 1989. Collor attempted to stabilize the economy, control the rising inflation, and renegotiate Brazil's enormous debt, yet corruption scandals in his administration and allegations against Collor himself forced his resignation in 1992. (Brazil History, 2009)⁴ Brazil's

¹ UNDP. "CAPACITY DEVELOPMENT FOR SUSTAINABLE HUMAN DEVELOPMENT: CONCEPTUAL AND OPERATIONAL SIGNPOSTS". Capacity Development Resource Book. United Nations Development Programme. 1995. <<http://mirror.undp.org/magnet/cdrb/CAPDEV.htm>>

² Soy, Susan K. (1997). The case study as a research method. Unpublished paper, University of Texas at Austin. <<http://www.gslis.utexas.edu/~ssoy/usesusers/l391d1b.htm>>

³ "Brazil-History." *Encyclopedia of the Nations*. 2009. Advameg, Inc., Web. 19 Oct 2009. <<http://www.nationsencyclopedia.com/Americas/Brazil-HISTORY.html>>.

⁴ "Brazil-History." *Encyclopedia of the Nations*. 2009. Advameg, Inc., Web. 19 Oct 2009. <<http://www.nationsencyclopedia.com/Americas/Brazil-HISTORY.html>>.

minister of finance, Fernando Enrique Cardoso, was able to control inflation by the introduction of the Real Plan in 1994 by pegging the currency to the US dollar, and was elected to presidency that same year. His policies were successful in controlling inflation, reducing tariffs, and introducing privatization measures to state-run businesses, which led him to reelection in 1998. Unfortunately, an economic crisis devalued the Real by 60% soon after the election, and unemployment and poverty flourished. In 2002, Luis Inacio "Lula" da Silva was elected to presidency and has continued to boost Brazil's economic development and reduce poverty. Lula has continued to be devoted to implementing programs to help the most impoverished Brazilians. (Brazil History, 2009)⁵ This demonstrates Brazil has only had a stable democracy since 1994, with two elected presidents. Brazil is now a member of the Group of Twenty (G20) finance ministers and central bank governors, created in 1999 to bring together important industrialized and developing countries to collaborate on decision-making on key issues in the global economy. Brazil is also actively participating in the Cairns Group, a coalition of developed and developing countries exporting agricultural products. (Veiga, 2009)⁶ Brazil is also one of the BRIC countries, which are made up of the fastest growing developing economies of Brazil, Russia, India, and China. These emerging economies have enormous economic potential to supersede the G7 in the coming decades. (Hult, 2009)⁷

Argentina is my country chosen for comparison, because not only is it a Latin American neighbor, but also a comparable economy. However, Brazil has a much larger land area and population than Argentina, with 8,515 thousand square kilometers and 189 million people compared to Argentina with 2,780 thousand square kilometers and a population of only 39 million people. (World Bank, 2008)⁸ The gross national income (GNI) per capita in 2007 of Argentina was US\$ 6,040 and that of Brazil was US\$ 6,060. In addition, the gross domestic product (GDP) per capita in 2007 for Argentina was US\$ 6,644, with Brazil slightly ahead at US\$ 7,013. (World Bank, 2009)⁹ Inflation has been a common burden between the two, but both are faring better. In addition, income inequality is a huge problem for both countries because the percentage share of income or consumption for the lowest 20 percent of the population is 2.9 percent for Brazil and 3 percent for Argentina in 2005, while the percentage share of income or consumption for the highest 20 percent of the population is 60.8 percent for Brazil and 54 percent for Argentina. (World Bank, 2009)¹⁰ Urbanization continues to grow in both countries with 85 percent of Brazil's population and 90 percent of Argentina's population residing in urban areas. (World Bank, 2009)¹¹ Both Latin American countries have a history of political instability with many undemocratic interventions. Argentina and Brazil have been ruled by military dictatorships in the past, with the most recent around 1964-1985. Currently, both Argentina and Brazil

⁵ "Brazil-History." *Encyclopedia of the Nations*. 2009. Advameg, Inc., Web. 19 Oct 2009.
<<http://www.nationsencyclopedia.com/Americas/Brazil-HISTORY.html>>.

⁶ Veiga, Pedro da Motta. "Brazil and the G-20 Group of Developing Countries." *Managing the Challenges of WTO Participation - 45 Case Studies*. Ed. Peter Gallagher, Patrick Low, and Andrew L. Stoler. Dec 2005. World Trade Organization, Web. 2 Dec 2009.
<http://www.wto.org/english/res_e/booksp_e/casestudies_e/case7_e.htm>.

⁷ Hult, Tomas. "THE BRIC COUNTRIES". *Global Edge: Business Review*. Vol 3, No. 4, 2009.
<globaledge.msu.edu/newsandviews/businessreviews/gbr%203-4.pdf>

⁸ World Bank, World Development Indicators (WDI) 2008. Tulane University Database. Web. 2 Dec 2009.
<<http://ddpext.worldbank.org.libproxy.tulane.edu:2048/ext/DDPQQ/member.do?method=getMembers&userid=1&queryId=6>>.

⁹ World Bank, World Development Indicators (WDI) 2008. Tulane University Database. Web. 2 Dec 2009.
<<http://ddpext.worldbank.org.libproxy.tulane.edu:2048/ext/DDPQQ/member.do?method=getMembers&userid=1&queryId=6>>

¹⁰ World Bank, World Development Indicators (WDI) 2008. Tulane University Database. Web. 2 Dec 2009.
<<http://ddpext.worldbank.org.libproxy.tulane.edu:2048/ext/DDPQQ/member.do?method=getMembers&userid=1&queryId=6>>

¹¹ World Bank, World Development Indicators (WDI) 2008. Tulane University Database. Web. 2 Dec 2009.
<<http://ddpext.worldbank.org.libproxy.tulane.edu:2048/ext/DDPQQ/member.do?method=getMembers&userid=1&queryId=6>>

are ruled by moderate left-wing democracies and are highly dependent on one another for trade. (Balch, 2006)¹²

2. Results and Discussion

Overall, Brazil is doing well by being a partner in the global economy. Between 1997 and 2007, the GNI per capita has increased by US\$1,000 and the GDP per capita has increased by US\$1,725 as Argentina's dropped in both sectors. The GDP implicit deflator demonstrates Brazil's ability to control inflation in recent years, going from an annual average of 211.9 percent growth from 1990-2000 to a 9.2 percent annual average growth between 2000-06. (World Bank, 2009)¹³ Brazil's minister of finance, Fernando Enrique Cardoso, was able to control inflation by the introduction of the Real Plan in 1994 by pegging the currency to the US dollar. His policies were successful in controlling inflation, reducing tariffs, and introducing privatization measures to state-run businesses. In 1997, Cardoso successfully privatized a \$3.2 billion controlling stake of Vale Rio Doce, the largest mining and transport company in the country. (Brazil History, 2009)¹⁴

Trade has increased by 10 percent of the GDP between 1997-2007, which could have affected the higher current account balance, both stimulating the economy. Total debt service has decreased in Brazil to 4 percent of the GNI, and as Argentina's total reserves have doubled, Brazil's has more than tripled to US\$180,334 in 2007. (World Bank, 2009)¹⁵ Brazil's growth is being assisted by its exports, due to the stable balance between both primary and manufactured goods, unlike Argentina exporting 20 percent more primary products as a percent of total exports than Brazil. Brazil does export 10 percent less than Argentina, although the discovery of oil could change these statistics in the near future, which could further assist in the country's growth. Although Brazil began with import-substitution, in the last twenty years or so they have been more focused on export-oriented growth.

ECONOMIC INDICATORS: ¹⁶	BRAZIL	ARGENTINA
GNI per capita, Atlas method (current US\$)		
1997	5060	8140
2007	6060	6040
GDP per capita (current US\$)		
1997	5228	8206
2007	7013	6644
GDP implicit deflator (average annual % growth)		
1990-2000	211.9	5.2
2000-2006	9.2	12.2
Trade (% GDP)		
1997	16	23
2007	26	45

¹² Balch, Oliver. "CR in Brazil and Argentina: Next door, but worlds apart." *Ethical Corporation*. 20 Feb 2006. Web, 28 Nov 2009.

¹³ World Bank, World Development Indicators (WDI) 2008. Tulane University Database. Web. 2 Dec 2009.

<<http://ddpext.worldbank.org.libproxy.tulane.edu:2048/ext/DDPQQ/member.do?method=getMembers&userid=1&queryId=6>>

¹⁴ "Brazil-History." *Encyclopedia of the Nations*. 2009. Advameg, Inc., Web. 19 Oct 2009.

<<http://www.nationsencyclopedia.com/Americas/Brazil-HISTORY.html>>.

¹⁵ World Bank, World Development Indicators (WDI) 2008. Tulane University Database. Web. 2 Dec 2009.

<<http://ddpext.worldbank.org.libproxy.tulane.edu:2048/ext/DDPQQ/member.do?method=getMembers&userid=1&queryId=6>>

¹⁶ World Bank, World Development Indicators (WDI) 2008. Tulane University Database. Web. 2 Dec 2009.

<<http://ddpext.worldbank.org.libproxy.tulane.edu:2048/ext/DDPQQ/member.do?method=getMembers&userid=1&queryId=6>>.

Current account balance (% GDP)		
1997	-3	-4
2007	0	3
Total debt service (%GNI)		
1997	5	6
2007	4	4
Total reserves (includes gold, current US\$)		
1997	51,706	22,424
2007	180,334	46,149
Exports of Goods & Services (% of GDP)		
1990	7	10
2006	15	2
Imports of Goods & Services (% of GDP)		
1990	9	10
2005	12	19
Primary Products as % of Total Exports		
1995	45	66
2006	48	66
Manufactures as % of Total Exports		
1995	54	34
2006	51	32

Source: World Bank

The voice and accountability ranking for Brazil demonstrates its improved status on the development ladder. It is increasingly giving its citizens more freedoms of expression, association, and media. Unfortunately due to the history of its government and the amount of violence, Brazil scored lower than the 50th percentile on the political stability indicator, although increasing by nine percent since 1998 to 38.3 percent. Brazil has yet to produce a stabilized government, and this is one of the factors that demonstrate Brazil's inability to become more developed. Argentina scored lower than Brazil for all indicators except political stability, proving Brazil's weakness of governance in this area. (Kaufmann, 2008)¹⁷ The government effectiveness indicator shows Brazil is mediocre in its quality of public and civil services and has not improved over the past decade. The government is committed to developing the policies needed for such services, but often lacks funding and ambition for implementation. Brazil's regulatory quality ranks a bit higher than its government effectiveness, demonstrating that the government's ability to implement policies to promote private sector development is more evolved than its implementation of services. Rule of Law is another area in which Brazil ranks lower than the 50th percentile. The lack of strong, dependable law enforcement and increasing urban violence is one of the key features of Brazil's lack of development, and the one that is going to be the hardest to turn around. Brazil's control of corruption is higher than the Brazilian media portrays, but continues to be a problem for project funding. The military police have been placed in the

¹⁷ Kaufmann, Daniel and Aart Kraay (at World Bank), "Governance Matters III," 2008. Web. 14 Dec 2009. <<http://info.worldbank.org/governance/wgi/index.asp>

spotlight alongside politicians, so I am wondering just how much of the public power is included in this survey. (Kaufmann, 2008)¹⁸

Brazil scored low on the Corruption Perception Index (CPI), and is ranked 80th of the 180 countries, with a score of 3.5 out of 10. This reveals the dire amount of exploitation of public office for private gain in Brazil's political regime. (Transparency International, 2009)¹⁹ In the distribution of the global Economic Freedom Index (EFI), Brazil is mostly unfree with a score of 56.7, which displays the need for economic improvements as well. Economic and regulatory policy uncertainty is a severe constraint for Brazil, with 75 percent of senior managers concerned. Although Argentina was slightly behind Brazil in the previous factors of CPI and EFI, only 16.5 percent of its senior managers disclose concern for policy uncertainty, demonstrating the extremities of the situation in Brazil. (Heritage Foundation, 2009)²⁰ Finally, the Failed States Index (FSI) classifies Brazil as "borderline", mostly due to its high score on uneven economic development and security apparatus. Argentina fared much better in this area as well with a ranking of 149th compared to Brazil's 113th out of 177 states. (Fund for Peace, 2009)²¹

However, Brazil has become increasingly more democratic in the past ten years. Both indices of civil liberties and political rights show the people have been given more freedoms, and Brazil is ranked Free by Freedom in the World, 2006. The civil liberties have improved because the government is taking action to promote increased racial equality. Over eighty percent of the total population participated in voting in the last presidential election in 2006, as well as in 2002. Corruption in government has continued to be a problem throughout the past decade and has limited their ability to increase development. (Freedom House, 2009)²²

The present status of democracy and governance is improving, although overshadowed by corruption and high levels of violence. Top political leaders were forced to resign due to bribe offers to legislators and illegally obtained funds. Amnesty International has reported that Brazilian police continue to use death squads and torture. However, elections have remained free and fair, and the constitution guarantees democratic freedoms, such as: expression, religion, and association. The independent judiciary system is powerless against organized crime, and continues to be weighed down by corruption. Brazil has the highest rate of homicide caused by firearms over all the countries that are not currently at war, which are mostly related to drug trafficking. (Freedom House, 2009)²³

Media freedom in Brazil is partly free with a score of 42 out of 100, due to violent attacks on journalists and legal rulings in favor of censorship to protect government officials involved in corruption scandals. Argentina does have slightly more press freedom, scoring a 47. Local courts in Brazil often ban the media from publishing interviews or mentioning specific names. Reporters who take on the task to reveal government and police corruption are often shot to silence their

¹⁸ Kaufmann, Daniel and Aart Kraay (at World Bank), "Governance Matters III," 2008. Web. 14 Dec 2009.

<<http://info.worldbank.org/governance/wgi/index.asp>

¹⁹ Transparency International, 2008 Corruption Perceptions Index, <<http://www.infoplease.com/world/statistics/2008-transparency-international-corruption-perceptions.html>>

²⁰ Heritage Foundation & Wall Street Journal, 2009 Index of Economic Freedom. Web. 14 Dec 2009.
<<http://www.heritage.org/Index/>>

²¹ Fund for Peace. "Failed States Index, 2009." Web. 14 Dec 2009.
<http://www.fundforpeace.org/web/index.php?option=com_content&task=view&id=99&Itemid=140>

²² Freedom House. "Country Report 2009: Brazil", Web. 14 Dec 2009.
<<http://www.freedomhouse.org/template.cfm?page=363&year=2009&country=7573>>

²³ Freedom House. "Country Report 2009: Brazil", Web. 14 Dec 2009.
<<http://www.freedomhouse.org/template.cfm?page=22&year=2006&country=6928>>.

investigations. A former mayor in the state of Mato Grosso do Sul received a sentence of close to 18 years for his involvement with the murder of a Paraguayan reporter. Brazil does, however, boast the largest media market in South America with a wide range of viewpoints. (Freedom House, 2009)²⁴

Democracy and governance are moving towards a more positive era in the future of Brazil. The country has been slowly becoming more developed and integrated in the global market, and more democratic since the end of the military dictatorship in 1985. Although the cycles of violence and corruption continue to put pressure on long-term development goals, the growing economy should stabilize the government, while increased political participation will hold government officials accountable for their actions. Civil codes are slowly granting additional rights to combat racial and gender discrimination. Brazil will begin to take on more international responsibility, which will create increased accountability on a higher scale.

POLITICAL INDICATORS: ²⁵	BRAZIL	ARGENTINA
Voice and Accountability		
1998	55.8	55.3
2008	61.1	57.2
Political Stability		
1998	29.3	50.0
2008	38.3	42.1
Government Effectiveness		
1998	54.5	62.1
2008	54.5	48.8
Regulatory Quality		
1998	59.5	70.7
2008	58.0	28.0
Rule of Law		
1998	46.2	57.1
2008	46.4	32.1
Control of Corruption		
1998	58.7	53.9
2008	58.5	40.1
Corruption Perception Index 2008 ²⁶	3.5	2.9
Economic Freedom Index 2009 ²⁷	56.7	52.3
Policy Uncertainty (%) ²⁸	75.8	16.5
Failed States Index 2009 ²⁹	113	149

²⁴ Freedom House . "Press Freedom 2006: Brazil" <http://www.freedomhouse.org/template.cfm?page=251&year=2008>

²⁵ Kaufmann, Daniel and Aart Kraay (at World Bank), "Governance Matters III," 2008. Web. 14 Dec 2009.

<<http://info.worldbank.org/governance/wgi/index.asp>>

²⁶ Transparency International, 2008 Corruption Perceptions Index, <<http://www.infoplease.com/world/statistics/2008-transparency-international-corruption-perceptions.html>>

²⁷ Heritage Foundation & Wall Street Journal, 2009 Index of Economic Freedom. Web. 14 Dec 2009.

<<http://www.heritage.org/Index/>>

²⁸ World Bank, World Development Indicators (WDI) 2008. Tulane University Database. Web. 2 Dec 2009.

<<http://ddpext.worldbank.org.libproxy.tulane.edu:2048/ext/DDPQQ/member.do?method=getMembers&userid=1&queryId=6>>

²⁹ Fund for Peace. "Failed States Index, 2009." Web. 14 Dec 2009.

<http://www.fundforpeace.org/web/index.php?option=com_content&task=view&id=99&Itemid=140>

Civil Liberties (7→1 Index) ³⁰		
2002	3	3
2009	2	2
Political Rights (7→1 Index) ³¹		
2002	3	3
2009	2	2
Freedom of the Press (100→0) ³²		
2005	40	41
2008	42	47
Latest Election (year) ³³	2006	2001
Voter Turnout (%) ³⁴	81.01	75

Sources: World Bank, Heritage Foundation, Fund for Peace, Freedom House, Transparency International, and IFES

Between 1998 and 2002-03, the national poverty headcount index lowered by only 0.5 percent of the total population. In addition to poverty, Brazil has one of the highest rates of inequality in the world. According to the percentage share of income in 2005, the lowest 20 percent of the population has a percentage share of income or consumption of 2.9 percent, while the highest 20 percent of the population has a 60.8 percent share of income or consumption. (World Bank, 2009)³⁵ Argentina is similar, but instead the highest 20 percent holds only 54 percent of the share of income or consumption. The trend in income inequality has remained steady, as the percentage share of income in 1995 is 3 percent for the lowest 20 percent of the population and 63 percent for the highest 20 percent of the population. However, the government has recently addressed the issue of income inequality. The Bolsa Família program issued by president Lula distributes an average of R\$70 in direct transfers to poor families with children who attend school and obtain regular health checkups. (Bolsa Família, 2009)³⁶ Ninety-four percent of these funds are distributed to the poorest 40 percent of the population and income inequality was reduced by 4.6 percent between 1995-2004. This program also invests in the children to promote sustainable development and reduce poverty in the future by enhancing education and displaying the benefits of proper healthcare. This program reaches 11 million families, assisting over 46 million impoverished people. This program is cited as one of the main contributors to the improved social outcomes in Brazil because of its holistic approach to sustainable development. (Bolsa Família, 2009)³⁷

³⁰ Fund for Peace. "Failed States Index, 2009." Web. 14 Dec 2009.

<http://www.fundforpeace.org/web/index.php?option=com_content&task=view&id=99&Itemid=140

³¹ Fund for Peace. "Failed States Index, 2009." Web. 14 Dec 2009.

<http://www.fundforpeace.org/web/index.php?option=com_content&task=view&id=99&Itemid=140

³² Freedom House. "Press Freedom 2009: Brazil", Web. 14 Dec 2009.

<<http://www.freedomhouse.org/template.cfm?page=251&year=2009>>

³³ International Foundation for Electoral Systems. (IFES) "Election Guide: Brazil." 2009. Web. 14 Dec 2009.

<<http://www.electionguide.org/voter-turnout.php>>

³⁴ International Foundation for Electoral Systems. (IFES) "Election Guide: Brazil." 2009. Web. 14 Dec 2009.

<<http://www.electionguide.org/voter-turnout.php>>

³⁵ World Bank, World Development Indicators (WDI) 2008. Tulane University Database. Web. 2 Dec 2009.

<<http://ddpext.worldbank.org.libproxy.tulane.edu:2048/ext/DDPQQ/member.do?method=getMembers&userid=1&queryId=6>>

³⁶ "Bolsa Família: Changing the Lives of Millions in Brazil." World Bank: Brazil. 2009. Web. 5 Dec

2009. <<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/LACEXT/BRAZILEXTN/0,,contentMDK:21447054~pagePK:141137~piPK:141127~theSitePK:322341,00.html>>.

³⁷ "Bolsa Família: Changing the Lives of Millions in Brazil." World Bank: Brazil. 2009. Web. 5 Dec 2009.

<<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/LACEXT/BRAZILEXTN/0,,contentMDK:21447054~pagePK:141137~piPK:141127~theSitePK:322341,00.html>>.

Education inputs, measured by public expenditure per student, has increased between 1999-2006 in the areas of primary and secondary schools, but decreased drastically in tertiary schools from 57 percent of GDP per capita to 32.6 percent, suggesting that Brazil has scaled back subsidies to tertiary education. In Brazil, tertiary education expenditures are drastically higher than both primary and secondary education expenditures. As of 2006, primary education expenditures per student are 12.8 percent of GDP, while secondary education expenditures are 11.5 percent of GDP, far below the 32.6 percent of GDP for tertiary education. Argentina has a more even dispersion of funding for education with 11.3 percent of GDP for primary, 15.7 percent for secondary, and 11.8 percent for tertiary. Also in 2006, Brazil had 560 thousand primary school age students out of school. The adult literacy rate was 88.5 percent in 2005 for Brazil, which is lower than Argentina's 97 percent. (World Bank, 2009)³⁸

Total health expenditures are slightly lower than Argentina at 7.9 percent of Brazil's GDP and US\$371 per capita. Brazil has seen a drastic improvement for infant mortality rates with 48 per thousand live births in 1990 to 19 per thousand live births in 2006, although still slightly lower than Argentina. Life expectancy has improved in Brazil as well between 1990-2006, increasing by five years to 72. Argentina is slightly higher with the 2006 life expectancy at 75 years. Also, Brazil only has 1.2 physicians per one thousand people. Access to water and sanitation are both lower than Argentina, revealing that only 75 percent of Brazil's population has access to improved sanitation and 90 percent has access to improved water source as of 2004. However, the child immunization rates are higher with 99 percent of children receiving immunizations for both measles and DTP3. (World Bank, 2009)³⁹

The rural/urban migration has increased from 1990 to 2006, and the urban areas now inhabit 85 percent of Brazil's total population. This is due to job opportunities from industrialization, as well as increased benefits in education and access to sanitation. Brazil's labor force has increased to 93.1 million in 2006, although the total population of Brazil is 189.3 million. Unemployment as a total percent of the total labor force has increased from 6.4 percent between 1990-92 to 8.9 percent between 2003-05. This reveals that rural to urban migration is a conundrum for Brazilian development, as well as Argentina, and will continue to be so unless the government provides sound policies to decrease the urban sprawl. The urban areas are growing drastically, and increased unemployment is leading to additional violence and corruption, complicating the hopes of achieving sustainable human development. (World Bank, 2009)⁴⁰

SOCIAL INDICATORS: ⁴¹	BRAZIL	ARGENTINA
Poverty below national poverty line (% population)		
1998 National	22.0	n/a
2002-03 National	21.5	n/a

³⁸ World Bank, World Development Indicators (WDI) 2008. Tulane University Database. Web. 2 Dec 2009.

<<http://ddpext.worldbank.org.libproxy.tulane.edu:2048/ext/DDPQQ/member.do?method=getMembers&userid=1&queryId=6>>

³⁹ World Bank, World Development Indicators (WDI) 2008. Tulane University Database. Web. 2 Dec 2009.

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⁴⁰ World Bank, World Development Indicators (WDI) 2008. Tulane University Database. Web. 2 Dec 2009.

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⁴¹ World Bank, World Development Indicators (WDI) 2008. Tulane University Database. Web. 2 Dec 2009.

<<http://ddpext.worldbank.org.libproxy.tulane.edu:2048/ext/DDPQQ/member.do?method=getMembers&userid=1&queryId=6>>

Percentage share of income or consumption		
2005 lowest 20%	2.9	3
2005 highest 20%	60.8	54
1995 lowest 20%	3	4 (1996)
1995 highest 20%	63	53 (1996)
Children out of school (thousand primary-school-age) 2006	560	39
Public Expenditure per Primary Student (% of GDP per capita)		
1999	11	13
2006	12.8	11.3
Public Expenditure per Secondary Student (% of GDP per capita)		
1999	9.5	16.4
2006	11.5	15.7
Public Expenditure per Tertiary Student (% of GDP per capita)		
1999	57.0	17.7
2006	32.6	11.8
Adult literacy Rate (% ages 15 and older) 2005	88.5	97
Infant Mortality Rate (per 1,000 live births)		
1990	48	25
2006	19	14
Life expectancy at birth (years)		
1990	67	72
2006	72	75
Health expenditure (% GDP) 2005	7.9	10.2
Health Expenditure per capita (\$) 2005	371	484
Physicians per 1,000 people (2000-2006)	1.2	n/a
Access to Improved Water Source (% of population)		
1990	83	94
2004	90	96
Access to Improved Sanitation (% of population)		
1990	71	81
2004	75	91
Child Immunization Rate 2006 (% of children 12-23 months),		
Measles	99	97
DTP3	99	91

Urban Population (% of total population)		
1990	75	87
2006	85	90
Labor Force (millions)		
1990	62.5	13.0
2006	93.1	18.8
Unemployment (Total% of total labor force)		
1990-92	6.4	6.6
2003-05	8.9	10.2
Population (millions) 2006	189.3	39.1

Source: World Bank

The forest area as a percent of total land in Brazil has decreased by 5 percent between 1990-2005, and is currently 56.5 percent of total land. This occurred because the average annual deforestation between 2000-05 is 0.6 percent and has increased since 1990-2000. This percentage is larger than Argentina's at only 0.4 percent average annual deforestation. The forest area in Brazil went from 5,200 thousand square kilometers in 1990 to 4,777 thousand square kilometers in 2005. Brazil has 29,000 cubic meters of renewable internal freshwater per capita, much more than Argentina with only 7,123 cubic meters as of 2005 statistics. (World Bank, 2009)⁴² However, a major cause of the water quality degradation is due to the emissions of organic water pollutants measured in kilograms per day per worker was 0.19 at 780.4 kilograms per day in 1990 and more recent data is unavailable for comparison. The ratio of GDP per unit of energy use has decreased from 8.1 to 7.6 2005 PPP \$ per kilogram of oil equivalent between 1990-2005, demonstrating more energy efficiency, while Argentina's has increased from 5.4 to 6.6 2005 PPP \$ per kilogram of oil equivalent. Energy depletion for Brazil is much lower than Argentina's 12.8 percent of GNI at only 3.7 percent of GNI. But mineral depletion is 2.3 percent of GNI, which is higher than Argentina's at 1.0 percent of GNI. Net forest depletion, carbon dioxide damage, and particulate emissions damage as a percent of GNI are all lower than Argentina. (World Bank, 2009)⁴³ The 2008 Yale Environmental Performance Index gave Brazil a score of 82.7 out of 100, demonstrating the need for improvement in the areas of biodiversity and habitat and air pollution. Argentina, however, received a lower score of 81.1. Brazil's weak indicators are marine protected areas and critical habitat, while Argentina's weak indicators are marine protected areas and trawling intensity. These factors demonstrate Brazil's willingness to control environmental problems to ensure future sustainability. (Yale EPI, 2009)⁴⁴

ENVIRONMENTAL INDICATORS: ⁴⁵	BRAZIL	ARGENTINA
Forest area (% of total land)		
1990	61.5	12.9
2005	56.5	12.1

⁴² World Bank, World Development Indicators (WDI) 2008. Tulane University Database. Web. 2 Dec 2009.

<<http://ddpext.worldbank.org.libproxy.tulane.edu:2048/ext/DDPQQ/member.do?method=getMembers&userid=1&queryId=6>>

⁴³ World Bank, World Development Indicators (WDI) 2008. Tulane University Database. Web. 2 Dec 2009.

<<http://ddpext.worldbank.org.libproxy.tulane.edu:2048/ext/DDPQQ/member.do?method=getMembers&userid=1&queryId=6>>

⁴⁴ Yale Environmental Performance Index (EPI). 2008. Web. 14 Dec. 2009. <<http://epi.yale.edu/Home>>

⁴⁵ World Bank, World Development Indicators (WDI) 2008. Tulane University Database. Web. 2 Dec 2009.

<<http://ddpext.worldbank.org.libproxy.tulane.edu:2048/ext/DDPQQ/member.do?method=getMembers&userid=1&queryId=6>>

Average annual deforestation (%) 2000-2005	0.6	0.4
Renewable Internal freshwater/capita (cu.m) 2005	29,000	7,123
Emissions of organic water pollutants (kg/day/worker)		
1990	0.19	0.20
2004	n/a	0.23
GDP/unit of energy use (PPP\$/kg oil equivalent)		
1990	8.1	5.3
2005	7.6	6.6
Energy depletion (% of GNI) 2006	3.7	12.8
Mineral depletion (% of GNI) 2006	2.3	1.0
Net forest depletion (% of GNI) 2006	0.0	0.0
Carbon dioxide damage (% of GNI) 2006	0.2	0.5
Particulate emissions damage (% of GNI) 2006	0.3	1.6
Yale Environmental Performance Index (EPI) 2008 Score ⁴⁶	82.7	81.8

Source: World Bank, Yale Environmental Performance Index

3. Analysis

This analysis conveys that sustainable human development performance in Brazil is growing steadily in some areas, yet challenges remain in others. Economically, Brazil's GDP has grown, as well as the GNI. In recent years, Brazil has been able to successfully control inflation, as well as increase trade. Total debt service has decreased, while total reserves have increased. However, political factors are not faring as well as economic factors. Political stability and government effectiveness are weak, in addition to the lack of strong, dependable law enforcement. Brazil is highly corrupt, and faces a number of policy constraints. However, both political rights and civil liberties are improving. Social development is hindered by the unequal distribution of income. Education is affected by income as well, because tertiary education receives far more government funding than primary or secondary education. Health measures are improving, although total expenditures are only 7.9 percent of the GDP. Rural to urban migration continues to create problems in unemployment, as 85 percent of Brazil's total population lives in urban areas. Environmental factors display a burden as well due to deforestation and marine habitats, although other areas are showing signs of improvement.

⁴⁶ Yale Environmental Performance Index (EPI). 2008. Web. 14 Dec. 2009. <<http://epi.yale.edu/Home>>

The results imply that policy reform is needed in areas of education and governance, as these sectors are weaker in terms of overall development. Policies to increase government subsidies to primary education, while decreasing expenditures to tertiary education would provide a more equal disbursement to levels of education for the benefit of lower income families. Increasing the number of available primary schools is more important than increasing the quality of tertiary schools to provide more equal opportunities for all, rather than for those with higher incomes. In addition, policies, which increase government transparency, are needed to combat corruption. The independent judicial system is in need of reform as well, to increase efficiency.

I will further dissect the governance sector, as most of Brazil's hindrances in development stem from the problems of lack of political stability and corruption. Because strong and reliable leaders are needed for the successful implementation of development measures, much reform is needed within this sector to obtain sustainable human development.

This analysis demonstrates that Brazil has a lot to focus on in the upcoming years of development. Political stability along with combating corruption is key to maintain a strong development framework. Development practices that would benefit all members in a society would distribute a more even pattern of development, as well as curb some of the violence that disturbs the development process.

The sector of governance is important to sustainable human development in both social and economical aspects. As Inter-Development Bank president stated, corruption "is a tax on society as a whole." (Jarquin, p.193)⁴⁷ Without efficient governance, corruption infiltrates society and discriminates against the lower class by placing the power into the hands of the elites. In this effect, corruption deprives citizens of their rights to achieve common goals because the elites have the power and money to control the system. It not only increases the costs of development, but also impedes its progress as special interests conquer public interests. Political and social tension is therefore heightened, creating additional societal pressures. (Shihata, p.205)⁴⁸

As a result, chances of society working towards a common goal of development are limited. Corruption undermines the effectiveness of public policies and programs, distracts motivations for the proper allocation of resources, removes fair competition from the market, increases income inequality, and questions the legitimacy of the market and the state. Institutional capacity is dire for the induction of successful strategies for poverty reduction and economic reforms, creating a direct relationship between governance and development. The attainment of effective development measures is highly dependent on the strength of a country's public institution operations and political environment. (Jarquin, p.193-4)⁴⁹

Another effect of corruption is the reduction of economic growth by lowering private investment and lowering the private marginal product of capital, leading to inefficient investment choices. Institutional restraints often discourage investment in areas where intellectual property rights have a high value for the firm, resulting in lowered demands for skilled workers. Additional problems

⁴⁷ Jarquin, Edmundo and Fernando Carrillo-Flores. "The Complexity of Anticorruption Policies in Latin America." *Combating Corruption in Latin America*. Ed. Joseph S. Tulchin and Ralph H. Espach. Washington, DC: The Woodrow Wilson Center Press, 2000. Pages 193-201.

⁴⁸ Shihata, Ibrahim F. I. "The Role of the World Bank in Combating Corruption." *Combating Corruption in Latin America*. Ed. Joseph S. Tulchin and Ralph H. Espach. Washington, DC: The Woodrow Wilson Center Press, 2000. Pages 205-209.

⁴⁹ Jarquin, Edmundo and Fernando Carrillo-Flores. "The Complexity of Anticorruption Policies in Latin America." *Combating Corruption in Latin America*. Ed. Joseph S. Tulchin and Ralph H. Espach. Washington, DC: The Woodrow Wilson Center Press, 2000. Pages 193-201.

can form in the areas of access to credit, as elites gain access to credit at the expense of the poorer impoverished population. (López, p.108)⁵⁰ It also creates political instability, which increases bureaucratic delays. As a result, less government expenditure is spent on education in corrupt, unstable governments. Low economic growth effects sustainable human development because it leads to higher rates of poverty. (Mauro, p.700 & 704)⁵¹

Corruption also has created an undemocratic network that brings politicians, police, civic leaders, and drug-traffickers together in a vicious cycle that contributes to increased violence and encourages illegal activity. They all profit from the drug trade, mainly in the form of bribes. (Arias, p.5)⁵² If the police do not take bribes, they arrest traffickers, confiscate contraband, resell the drugs and weapons to other gangs, and then release the arrested criminals after receipt of a ransom payment. (Arias, p.114)⁵³ The police often enforce these deals by means of violence, torture, and other human rights violations. (Arias, p.75-6)⁵⁴ After the police make money from the criminals, they are able to bribe their corrupt superiors to receive promotions and obtain more powerful positions. As a result, corruption is encouraged. (Arias, p.44)⁵⁵

Because corrupt officials embezzle funds for social aid, drug traffickers are the sole providers of aid for favela residents in need, which empower criminals. Funds derived from the drug trade are additionally used to bribe police and politicians to allow the traffickers to operate freely. In turn, corrupt politicians secure votes in favelas in exchange for political favors. (Arias, p.37-8)⁵⁶ Politicians and police aid criminals by negotiating with judges or simply not enforcing the law. (Arias, p.74)⁵⁷

BRAZIL: ⁵⁸	
Transparency International Corruption Perceptions Index	Score (Range: 0-10)
2009	3.7
2008	3.5
2007	3.5
2006	3.3
2005	3.7
2004	3.9
2003	3.9
2002	4.0
2001	4.0

⁵⁰ López, J. Humberto. "Does Poverty Matter for Growth?" *Poverty Reduction and Growth: Virtuous and Vicious Circles*. Ed. The World Bank. Washington, DC: The International Bank for Reconstruction and Development / The World Bank, 2006. Pages 103-128.

⁵¹ Mauro, P. "Corruption and Growth." *Quarterly Journal of Economics*. 1995. Vol. 110, Issue 3. Pages 681-712.

⁵² Arias, Enrique Desmond. *Drugs and Democracy in Rio de Janeiro: Trafficking, Social Networks, and Public Security*. Chapel Hill, NC: The University of North Carolina Press, 2006.

⁵³ Arias, Enrique Desmond. *Drugs and Democracy in Rio de Janeiro: Trafficking, Social Networks, and Public Security*. Chapel Hill, NC: The University of North Carolina Press, 2006.

⁵⁴ Arias, Enrique Desmond. *Drugs and Democracy in Rio de Janeiro: Trafficking, Social Networks, and Public Security*. Chapel Hill, NC: The University of North Carolina Press, 2006.

⁵⁵ Arias, Enrique Desmond. *Drugs and Democracy in Rio de Janeiro: Trafficking, Social Networks, and Public Security*. Chapel Hill, NC: The University of North Carolina Press, 2006.

⁵⁶ Arias, Enrique Desmond. *Drugs and Democracy in Rio de Janeiro: Trafficking, Social Networks, and Public Security*. Chapel Hill, NC: The University of North Carolina Press, 2006.

⁵⁷ Arias, Enrique Desmond. *Drugs and Democracy in Rio de Janeiro: Trafficking, Social Networks, and Public Security*. Chapel Hill, NC: The University of North Carolina Press, 2006.

⁵⁸ Transparency International, 2008 Corruption Perceptions Index, <<http://www.infoplease.com/world/statistics/2008-transparency-international-corruption-perceptions.html>>

2000	3.9
1999	4.1
1998	4.0

Source: Transparency International

The scale of corruption in Brazil has been rampant throughout the past decade, without improvements. According to international standards, Brazil is one of the most corrupt countries in the world. (Lins da Silva, p.190)⁵⁹ Transparency International's Corruption Perceptions Index issued Brazil with a score of 3.7 in 2009, on a scale of one to ten, with the lower number indicating a higher degree of corruption. This score is even lower than the score of 4.0 in 2008, displaying increased problems in this area. In 2006, this score dropped down to 3.3, due to the political corruption scandals within the ruling Workers' Party in Congress. Members of Congress as well as senior officials in the Workers' Party resigned after Congress member Roberto Jefferson released information that colleagues were being paid monthly bribes in exchange for votes. This demonstrates that democracy and elections are unable to control corruption because the corrupt officials are eligible for reelection. (BBC News, 2005)⁶⁰ In addition, politicians provide resources and services to impoverished communities in order to ensure votes. Clientelism is common, as the politicians set up a relationship of dependence for these families to obtain patronage in exchange for votes. These politicians not only give, but also take bribes to supplement their income, especially during elections. (Arias, p.44)⁶¹

Accountability is one of the most critical areas in which reforms of institutions and policies need to be implemented in Brazil. This will depend on the public's desire and ability to end corruption, because voters can attempt to end the political careers of corrupt officials. (Geddes, p.43)⁶² One of the most difficult political reforms for Congress to pass would be the elimination of its' members total immunity from prosecution. Members of organized crime invest in votes and get elected to legislative office, which gives them four to eight years of immunity. This problem has been acknowledged, but effective reforms have not been passed. The Supreme Federal Tribunal should have the power to indict, prosecute, and convict members of Congress without prior authorization from their houses. In addition, members of Congress should lose their bank account secrecy privileges once they become elected into office. If federal courts are granted jurisdiction over members of Congress without the interruption of the houses in Congress, accountability and transparency could be more effective in stopping major corruption scandals. (Fleisher, p.60-1)⁶³

The Federal Accounting Court is highly ineffective. Because the internal auditing agencies are within each ministry, the Court is not able to conclude any audits that contradict the interests of the minister due to their political loyalties. Independent auditors are needed to decrease money laundering and fraud. Also, it would be effective to eliminate the current Federal Accounting Court judges and

⁵⁹ Lins da Silva, Carlos Eduardo. "Journalism and Corruption in Brazil." *Combating Corruption in Latin America*. Ed. Joseph S. Tulchin and Ralph H. Espach. Washington, DC: The Woodrow Wilson Center Press, 2000. Pages 173-192.

⁶⁰ BBC News. "Party chief quits Brazil Congress." BBC World News: Americas. 01 Aug 2005. Web. 14 Dec 2009. <<http://news.bbc.co.uk/2/hi/americas/4736849.stm>>.

⁶¹ Arias, Enrique Desmond. *Drugs and Democracy in Rio de Janeiro: Trafficking, Social Networks, and Public Security*. Chapel Hill, NC: The University of North Carolina Press, 2006.

⁶² Geddes, Barbara and Artur Ribeiro Neto. "Institutional Sources of Corruption in Brazil." *Corruption and Political Reform in Brazil: The Impact of Collor's Impeachment*. Ed. Keith S. Rosenn and Richard Downes. Coral Gables, FL: North-South Center Press at the University of Miami, 1999. Pages 21-48.

⁶³ Fleischer, David. "Beyond Collorgate: Prospects for Consolidating Democracy." *Corruption and Political Reform in Brazil: The Impact of Collor's Impeachment*. Ed. Keith S. Rosenn and Richard Downes. Coral Gables FL: North-South Center Press at the University of Miami, 1999. Pages 49-72.

create a Federal Accounting Office, which would be similar to the Attorney General's Office. Accounting professionals would be hired on the basis of their performance on a public competitive examination. The director as well as the bureaucracy would have an independent mandate without intervention from the branches of government. Their main function would be to investigate all current accounts and apply severe penalties where necessary. Other duties would include investigations of expenditures and judging why certain program's goals are not met. (Fleischer, p.64-5)⁶⁴

Reform of the independent judicial system is vital for the prosecution of corrupt officials. Judges and prosecutors should not be hired on the basis of political connections and bribes, but should be elected for their progress in personal achievements. If budgets were increased to offer more competitive wages, most qualified candidates would be selected for the positions. In order to complete the most thorough investigation, prosecutors must be equipped with advanced technological systems, such as the computerized court information systems, to maintain the highest levels of efficiency. Transparency is necessary within the judicial system as well, to ensure penalties against corruption are enforced against elites and politicians alike. (Manzetti, p.165)⁶⁵ If political elites are able to reform the judicial system, Brazilian citizens could be treated more equally without regard to income or race. In addition, politicians and law enforcement officials could be held accountable under civilian laws.

In addition, strong checks and balances must be exercised in the executive, legislative, and judicial branches of the government. Currently, the executive branch holds the majority of discretionary powers, providing increased opportunities for corruption. Transparency is a crucial element in enforcing accountability to diminish corruption's negative effects on development. (Manzetti, p.165)⁶⁶

The areas of public service are in need of attention as well. Extensive training is necessary for public servants to comprehend the effects of the legal, administrative, and ethical choices that their job requires. Transparency must be engaged to end all unjustifiable acts of secrecy in official business to end administrative abuses and illogical decisions. (Manzetti, p.165-6)⁶⁷

Although the corruption in the law enforcement impedes development from a different angle, accountability measures can increase transparency and corrode illegal acts. Improved pay and working conditions are necessary, but because police officials gain profits from the drug trade, other reforms are needed in conjunction. Transparency and accountability of politicians can assist the area of law enforcement by limiting the impacts of illegal businesses on the state. Because the drug trade and politics have become intertwined, state organizations must be created to control the business. Furthermore, state interventions that encourage corrupt opportunities must be contained and legitimate businesses must be protected from the dangers of organized criminals. Corruption can only be eradicated if the opportunities and rewards for paying and receiving bribes are decreased because it has become so engrained in the culture of Brazilian politics. (Rose, p.101-2)⁶⁸

⁶⁴ Fleischer, David. "Beyond Collorgate: Prospects for Consolidating Democracy." *Corruption and Political Reform in Brazil: The Impact of Collor's Impeachment*. Ed. Keith S. Rosenn and Richard Downes. Coral Gables FL: North-South Center Press at the University of Miami, 1999. Pages 49-72.

⁶⁵ Manzetti, Luigi. "Market Reforms without Transparency." *Combating Corruption in Latin America*. Ed. Joseph S. Tulchin and Ralph H. Espach. Washington, DC: The Woodrow Wilson Center Press, 2000. Pages 130-172.

⁶⁶ Manzetti, Luigi. "Market Reforms without Transparency." *Combating Corruption in Latin America*. Ed. Joseph S. Tulchin and Ralph H. Espach. Washington, DC: The Woodrow Wilson Center Press, 2000. Pages 130-172.

⁶⁷ Manzetti, Luigi. "Market Reforms without Transparency." *Combating Corruption in Latin America*. Ed. Joseph S. Tulchin and Ralph H. Espach. Washington, DC: The Woodrow Wilson Center Press, 2000. Pages 130-172.

⁶⁸ Rose-Ackerman, Susan. "Is Leaner Government Necessarily Cleaner Government?" *Combating Corruption in Latin America*. Ed. Joseph S. Tulchin and Ralph H. Espach. Washington, DC: The Woodrow Wilson Center Press, 2000. Pages 87-106.

Several structural and institutional factors contribute to corruption in this area. The lack of resources to sufficiently pay and train the police lead to inefficiencies in police practice, as they are not disciplined or taught proper ethics to perform effectively. They are also unaware of the adverse effects their actions have on key development issues. Police are often overworked and underpaid, focusing on their own abilities to make ends meet within their own households. Unfortunately, these institutions are without the ability to enforce discipline and end corruption to adequately serve the population because even the highest ranked officials are beneficiaries of the drug trade. Accountability and transparency could infiltrate the system to decrease the amount of money that is embezzled to pay higher ranked officials. If checks and balances began to keep record of all accounts, employees could be paid more equally and treated more fairly. (Arias, p.84)⁶⁹

Reform of the law enforcement would not only put an end to corruption, but also end the human rights violations extended upon the poor and minority populations. If police are forced to obey the laws, they will no longer be able to accept bribes from the criminals. Police violence would be limited, which would also decrease criminal violence and create safer communities for the residents. Police would begin enforcing the laws, and the drug trade would no longer be accepted as a source of income for politicians and police officials. (Arias, p.57)⁷⁰

Because corruption in the state leads to decreased amounts of aid to favela residents, they have become dependent on the criminal networks and the drug trade for survival as well. Therefore, policies must be implemented to reduce their dependence on illegal funds for employment, informal security, and welfare services so that the population may also become politically incorporated to assist in extending the rule of law within their communities. If transparency is induced into the political factions, funds once used for pay-offs can be used for the implementation of basic welfare guarantees. Irregular urban land tenure in these squatter settlements must be recognized to decrease the inhabitants' need for additional loans and protection from the criminal networks. (Arias, p.57)⁷¹

Institutional mechanisms exist to fight corruption, although highly ineffective. In January 2006, Brazil adopted the Creation of the Corruption Prevention and Strategic Information Secretariat to defend public assets and prevent the diversion of federal public funds. Brazil has also imposed a stimulus to social control of public funds and a promotion of public transparency in 2004. Previously in 2003, the government expanded scope of action for the National Strategy against Corruption and Money Laundering, as well as implementing improvements in the legal framework for corruption prevention and combat. (CGU, 2009)⁷²

This area of governance is hard to combat due to many obstacles. To most of the individuals involved in corrupt systems, it does not make sense to disengage from these practices. It is difficult for civil servants to decline bribes, because their superiors are expecting a portion of the pay-off for themselves. (López, p.107)⁷³ Politicians find it difficult to rely on federal government revenue for

⁶⁹ Arias, Enrique Desmond. *Drugs and Democracy in Rio de Janeiro: Trafficking, Social Networks, and Public Security*. Chapel Hill, NC: The University of North Carolina Press, 2006.

⁷⁰ Arias, Enrique Desmond. *Drugs and Democracy in Rio de Janeiro: Trafficking, Social Networks, and Public Security*. Chapel Hill, NC: The University of North Carolina Press, 2006.

⁷¹ Arias, Enrique Desmond. *Drugs and Democracy in Rio de Janeiro: Trafficking, Social Networks, and Public Security*. Chapel Hill, NC: The University of North Carolina Press, 2006.

⁷² CGU. "Measures taken by Brazil to comply with the UN Convention against Corruption." Office of the Comptroller General (CGU): Presidency of the Federative Republic of Brazil. 2009. Web. 14 Dec 2009. <<http://www.cgu.gov.br/english/AreaPrevencaoCorrupcao/ConvencoesInternacionais/UNConventionMeasures.asp>>.

⁷³ López, J. Humberto. "Does Poverty Matter for Growth?" *Poverty Reduction and Growth: Virtuous and Vicious Circles*. Ed. The World Bank. Washington, DC: The International Bank for Reconstruction and Development / The World Bank, 2006. Pages 103-128.

support, so they are forced to find other sources of income elsewhere. Corruption measures have become more useful for Brazilian politicians, and punishment by the Supreme Federal Tribunal is less likely. Congress is unable to punish corrupt presidents because presidents often buy congressional support during corruption investigations as it is during other issues. (Geddes, p.29)⁷⁴

On one hand, state intervention increases opportunities for officials to engage in corrupt activities by exchanging goods for profits. Businesses also become involved as their interests are at stake, and thus are willing to pay politicians to influence decisions. (Geddes, p.31)⁷⁵ On the other hand, privatization is full of opportunities for corruption as the state transfers assets from public to private ownership. Bribes are distributed to the government by private firms to determine who will receive the assets. Corrupt insiders are able to obtain information not available to the public, and receive special treatment in the bidding process. Therefore, public firms are awarded to those private investors with the best political connections. (Rose, p.91)⁷⁶

It is difficult for officials to initiate reforms in the areas of the drug trade because they are also primary beneficiaries of the profits. If the government initiates reforms, criminals could still be able to attract officials into the illegal networks. Economic influences continue to encourage crime and violence. Working to control violence has limited rewards for state actors, due to the dangerous positions they place themselves in. If violence is lessened in a particular area, the officials will then begin to focus on other areas, as criminals regroup. If criminals are killed or arrested, there is always another person ready to take their place. (Arias, p.58-9)⁷⁷

There are many constraints to the reduction of corruption. The national leadership must be fully dedicated to the policies of reform, and they must have the institutional capacity to enforce the policies. Civil society must be engaged by public disclosures of information and must support anticorruption measures. Multinational corporations and international efforts must also be committed to fighting corruption to deal with trans-boundary fraud. (Shihata, p.206)⁷⁸

The current government of President Lula has failed to reduce corruption. Since his election in 2002, Brazil's score on Transparency International's CPI has dropped from a 4.0 down to a 3.3 after the scandals of his Worker's Party in 2006, and is currently only a 3.7. Aside to this vote buying, Lula's party has committed acts of bribery, fraud, theft of public funds, and failure to report illicit campaign financing, among any other crimes. All of his most important advisors and officers have been forced to resign from office due to corruption. Lack of financing led the government to increase sources of public funding through bribes to public contractors, bankers, and businessmen in exchange

⁷⁴ Geddes, Barbara and Artur Ribeiro Neto. "Institutional Sources of Corruption in Brazil." *Corruption and Political Reform in Brazil: The Impact of Collor's Impeachment*. Ed. Keith S. Rosenn and Richard Downes. Coral Gables, FL: North-South Center Press at the University of Miami, 1999. Pages 21-48.

⁷⁵ Geddes, Barbara and Artur Ribeiro Neto. "Institutional Sources of Corruption in Brazil." *Corruption and Political Reform in Brazil: The Impact of Collor's Impeachment*. Ed. Keith S. Rosenn and Richard Downes. Coral Gables, FL: North-South Center Press at the University of Miami, 1999. Pages 21-48.

⁷⁶ Rose-Ackerman, Susan. "Is Leaner Government Necessarily Cleaner Government?" *Combating Corruption in Latin America*. Ed. Joseph S. Tulchin and Ralph H. Espach. Washington, DC: The Woodrow Wilson Center Press, 2000. Pages 87-106.

⁷⁷ Arias, Enrique Desmond. *Drugs and Democracy in Rio de Janeiro: Trafficking, Social Networks, and Public Security*. Chapel Hill, NC: The University of North Carolina Press, 2006.

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for support. In turn, the Worker's Party has continued to buy votes from the right-wing in order to pass legislation and reforms. (Petras, 2005)⁷⁹

In addition, the current role of the media and civil society is restrained. Citizens are not able to form media entities, as local conditions often interfere with media exposure. Citizens are also unable to obtain a media license due to politically biased congressional approval and expensive costs. Internal and external pressure is often exerted on employees of the media in cases involving corruption, and journalists have been murdered or physically harmed while performing investigations. (Global Integrity, 2009)⁸⁰

Civil society does have the right to form Civil Society Organizations (CSOs), but very few focus on governance and anti-corruption. CSOs are not legally protected, and they are not required to disclose their sources of funding. Trade unions are highly insufficient regarding political and economic matters. It is difficult to create new trade unions because pre-existing union leaders create obstacles, although workers' salaries are discounted to finance the unions. (Global Integrity, 2009)⁸¹

The probable poverty reduction and equity impacts of implementation of reforms in this area would be highly beneficial for sustainable human development. The lower classes will have more power and rights, as they will be a stronger representative voice in decision-making if the power of the elites is downsized. Society will increasingly become more equal, as the system becomes more balanced. Progress and development will grow because public interests will have an advantage over special interests. The market will achieve fair competition as resources are allocated more equally, and the practices of the market will be more legitimate. Private investment will increase and benefit all sectors of economic development. The political stability will increase if corruption is overcome, strengthening bureaucracy and good governance. As a result, crime and violence will be reduced, strongly benefitting the quality of life within the impoverished communities. Human rights violations would be diminished, and social aid would increase dramatically as more funds are used for their rightful purposes. As a result, sustainable human development will have the ability to grow.

4. Conclusions

In conclusion, Brazil does exhibit constraints to sustainable human development due to economic, political, social, and environmental factors. Although some sectors are faring better than others in terms of policy reform and improvement, the problems in other areas have a large impact on the holistic view of development on the country. Because most of Brazil's hindrances in development stem from the problems of lack of political stability and corruption, additional reform is needed in the area of governance. Corruption affects the quality of life of society, and the majority of the poor pays the price because it increases inequality. Economic growth is reduced, while political instability is heightened as illegal investment activity is encouraged. This has created an entangled network of politicians, law enforcement officials, and drug traffickers that continues to cycle through corruption,

⁷⁹ Petras, James. "Lula's "Workers' Regime" Plummets in Stew of Corruption." *Counterpunch*. 31 Jul 2005. Web. 14 Dec 2009. <<http://www.counterpunch.org/petras08012005.html>>.

⁸⁰ Global Integrity. "Brazil: Integrity Scorecard Report." Global Integrity: Independent Information on Governance and Corruption. 2009. Web. 14 Dec 2009. <<http://www.globalintegrity.org/reports/2006/brazil/scorecard.cfm>>.

⁸¹ Global Integrity. "Brazil: Integrity Scorecard Report." Global Integrity: Independent Information on Governance and Corruption. 2009. Web. 14 Dec 2009. <<http://www.globalintegrity.org/reports/2006/brazil/scorecard.cfm>>.

violence, and money. Corruption has not lessened over the past decade, because punishment is not enforced on corrupt officials.

Accountability reforms are needed to combat corruption. Congress immunity from prosecution must be eliminated, along with a reform of the Federal Accounting Court independent judicial system in order to create secure checks and balances on all branches of the government. Also, transparency in the areas of public service and law enforcement is detrimental for development because corruption leaks through all levels of society. Although institutional mechanisms exist, they are highly ineffective because bribes often supply a form of income stability and security for all who are involved, especially in the area of the illegal drug trade. The reduction of corruption is a vital component for sustainable human development to influence growth in all levels of society.

Conflict of Interest

The author declares no conflict of interest.

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