

# Brazil and Mexico - relative levels of development

Sociology



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## The True Nature of Development

For decades after the 2nd World War, after the United Nations Organization was set up, country-wise development was measured in terms of the Gross Domestic Product (GDP). Critics to this measure held that judging a country's development levels solely through factors that measure economic performance was insufficient as it failed to consider several other performance items, especially intangible humanitarian ones, that greatly indicated development levels in their variations from country to country.

In the early 1990s, the United Nations took heed of this failing and introduced a new index for development: the Index of Human Development (IHD) (Wharton School, 2004). It is a simple measure and considers only three variables: per capita income, access to education and life expectancy. As of 2004, 175 of the United Nation's 191 countries use this index (Wharton School, 2004).

The essay acknowledges the index as a very efficient indicator of citizens' quality of life in a nation and bases its search for variables indicating levels of development of Brazil and Mexico on it.

## Comparative Development

The 2003 "Human Development Index" Report brought out by the United Nations in collaboration with other international agencies like the World Bank and UNESCO rank Mexico in the 55th place while Brazil ranks in the 65th place. In all 175 countries are listed. Four data sets are considered, all belonging to the period 2000-2001. These are as follows:

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It is clearly observable from the data sets that except for the “ per capita income” set, which belongs to the economic category, the rest of the three sets belong to the demographic category. The indices are derived from the four data sets. Notes on the indices are as follows:

- Dimension Index =  $(\text{Actual Value} - \text{Minimum Value}) / (\text{Maximum Value} - \text{Minimum Value})$

- The HDI is then calculated as a simple average of the component indices.

The maximum and minimum values for the indicators are as follows: Life expectancy at birth (years) - 25-85, Adult literacy rate (%) - 0-100, GDP per capita (PPP US\$) = 100-40000.

It is to be noted that Mexico is the last country to be categorized under the high HDI group (limits: 1.000-0.800) while Brazil belongs to the medium HDI group (limits: 0.799-0.500). Though the HDI needs only four data sets, one economic and three demographics, it is being considered as the most efficient tool for determining the relative development for both Brazil and Mexico.

### Other Factors

It is overtly obvious from studying the data sets that Mexico is slightly more developed in providing humanitarian facilities to its citizens than Brazil.

Nevertheless, there are some salient features of each country that have to be considered.

In Mexico, though agriculture contributes to only 3.8% of the GDP almost 18% of the workforce is employed in it. For Brazil the figures are slightly

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better: agriculture provides 8.4% of GDP while accounting for 20% of the workforce. Thus, for Mexico, the per capita income is more skewed against agricultural labor than Brazil. Mexico has 40% (2005 est. CIA Factbook) of the population living below the poverty line while the figure for Brazil is 22% (2005 est. CIA Factbook). This is highly significant suggesting that per capita income for Mexico is highly skewed in favor of a relative minority compared to Brazil. After studying other data characteristics, both economic and demographic, it is found that both countries have very similar statistics in proportionate terms since Brazil is the much larger country with a larger population compared to Mexico. It is also noted that demographic factors related to male/female comparatives do not show significant discrepancies between male and female for both countries.

In conclusion, it is noted that though income in Mexico is distributed more unevenly than in Brazil the other two indices indicate that in real human terms it is slightly more developed than its Latin American counterpart. The HDI should thus suffice to perform the task at hand.