

Economic
development in brazil
has been hindered by
a variety of reasons



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Brazil, despite being a large country with availability of many resources, has had many social and economic problems that have been argued to be the main contributors to the country's limited growth. The country has had a history of problems which have included high unemployment, high inflation and high infancy mortality due to a large percentage of the country, around 80% being in agriculture and without access to any essential goods and medical facilities.

Brazil at the moment has been described as an LEDC because although it has 2 large cities, Sao Paulo and Rio de Janeiro, the rest of the country's cities are small and relatively undeveloped, therefore there is a binary distribution. This means that a huge percentage of the country is reliant upon these two cities making them overcrowded with the influx of people who are looking for job opportunities. In the 1950s, Brazil had established its economic activity in the mainly south eastern area in the core region of Sao Paulo, Belo Horizonte and the chief port Rio de Janeiro. The main bulk of its population density lies around the outskirts of this area of Brazil while much of the inner areas, and of course the Amazon Rainforest, remains quite undeveloped.

During the global recession Brazil went through extremely difficult times, some of the problems however being of their own doing. For example, just before this time there was a global boom. Many MEDCs lent out huge amounts of money to poorer countries, as it was available. Brazil borrowed a lot of money that could have been invested into education, job creation and housing to stir up economic activity. However, they instead used the money

to create what are called ' Big Prestigious Projects' and this was simply to make the country appear like it was very wealthy.

One of the these projects involved creating a dam along a river that would create hydroelectric power which would then be relayed back to support the large cities. This did not benefit any of the needy locals like those in the shanty areas because they did not have electricity, as well as stopping a water source to many people that lived by the river. They were forced to move to unsuitable areas where it was difficult to farm as well and life was difficult. Brazil was in great debt, and could make very little return from the money they borrowed. It has been problems like these that have had a major effect upon Brazil's current economic status. It also affected the social environment - there was distrust of the community towards the government and there was a clear line between the rich and poor.

It is rapid growth which has been a large factor in Brazil's history of problems as this has had individual impact upon housing, services, pollution, health, employment and infrastructure. Because of the increase in people entering the city it has put strain upon the government to meet the demand for housing. Estimates in 1991 showed that it's possible that 30% of the population of Rio de Janeiro, and 25% of Sao Paulo are living in shantytowns, or ' favelas'. This has been the result of the pull factors of a large city with its jobs and greater number of services, which has led to urbanisation.

People are more likely to earn much more if they were to find a job in the city then if they relied upon their job in agriculture. Th first aim of a city is often to draw people into the city to create economic development. However

in this case this has backfired, as the city is now unable to support the growing numbers as the number of people greatly outnumbers the job amount, and so there is high unemployment. Creation of jobs is an important factor in trying to increase economic levels however a majority of these people are generally unskilled and so must go into jobs in the informal sectors, for example, street selling, show-cleaning. Unfortunately this also leads to prostitution and problems with labour exploitation, with which Brazil has many problems. Although building new homes and new towns could perhaps lessen the strain up the cities of Brazil and help growth it is cheaper for a government to add essentials like water supplies, sewerage systems, electricity and public services (for example street lighting) to existing shantytowns.

This also means that the people can be removed whenever this is necessary which is beneficial towards the landowners, and this is rather than allowing the occupants to gain legal tenure of the land. This means that there is no system of selling and renting of the land as well as discrimination towards less financially stable people which may well lead to the rise of street dwellers and poor people who have no jobs, and therefore no economic activity. This has also led to increased crime in Brazil as people turn in despair to other ways of surviving. Services in the city can provide low pay - low skill pay, however they are of poor level in Brazil and pollution is on the rise. Electricity services are available to those who can afford them and therefore many of the areas are inadequate standard for living.

Makeshift replacements, for example candles and fire stoves are often dangerous to use in such conditions where there are many poor quality
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houses in close proximity to one another. There is a lack of educational establishments, which is an important factor towards Brazil's economy as it is in need of skilled labour to benefit their society. Appropriate medical services are unreliable and therefore many people die due to lack of service or lack of money to pay for the service, and life expectancy is low. Life expectancy, child mortality and literacy rates are all factors that are used to gauge whether a country is developed or not and Brazil suffers in many of these areas. Many factors have attributed to Brazil's economic problems and although there have been some rays of hope for the economy, for example the creation of Brazil's ' growth poles' as part of its Second National Development Plan in 1975 which saw the investment of government subsidies to try and bring in multinationals and create more jobs, it has been the overwhelming poverty that has been a main contributor. Self-help schemes that have recently been introduced as well as mechanisation and advances in technology should perhaps in the future see Brazil into better economic times, but as it remains, Brazil has very large social and economic problems that must be top priority if the country is ever to recover.