

Brazil, An Economy of Extremes

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I recently returned from Brazil, and while observing the hustle and bustle of Rio's international airport, busier than ever, it dawned on me that Brazil has much to be proud of. I am Brazilian, and therefore, admit to being a tad biased, but the fact remains that a decade of accelerated growth and progressive social policies has brought the country prosperity that is ever more widely shared. The unemployment rate for December was 4.9 percent, a little higher than the lowest on record, 4.7 percent from January of last year. Credit is flourishing, particularly to the swelling numbers who have moved out of poverty status and into the ranks of the middle class. Income inequality, though still high, has fallen sharply.

For most Brazilians life has never been as hopeful



I, and to some extent we see plenty of paradigm shifts. Women's salaries are growing twice as fast as those of men, even though they only occupy a mere 21.4 percent of executive positions, despite the fact they hold most of the doctoral degrees in the country (51.5 percent) and dominate the area of research (58.6 percent). They also own more companies in the Latin American region (11 percent) than any other emerging country. The new shifts in the Brazilian economy also benefit the black communities, which have seen their salaries increase four times faster than their white counterparts, bringing the population of the middle class blacks from 39.3 percent to 50.9 percent. According to research conducted by the Federal University of Rio de Janeiro, of 20.6 million people who entered the workplace, only 7.7 million were white. Overall, the country is enjoying the boom brought by commodities, in particular oil and gas, despite the global economic slowdown. Are American entrepreneurs taking advantage of this?

If not, they should, but with a caveat. I believe what worked for the Brazilian economy ten even twenty years ago, such as a focus on commodities, low labor costs, excessive focus on exports and so on, won't work moving forward. Today, Brazil is a new country, with new habits

and customs, and believe it or not, a population that possesses an extremely elevated self-esteem. Meaning, the fledgling and rapidly growing Brazilian middle class, 52 percent of the population since 2008, is in love with itself and ready to spend. According to Goldman Sachs, more than two billion people around the world will belong to the middle-class by 2030, but the majority of Brazilians are already there.

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