

Social Stratification, Labor Market & Racial differences: An Introduction

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The goal of this lecture is to provide information about the main characteristics of the differences in Brazil and then show a current picture of racial differences. When we talk about differences we look at the distribution of goods and resources that are scarce in society. In terms of mensuration there are two important analytical forms to look at.

First, the analysis of fundamental variables for understanding the uneven distribution of resources and social opportunities which involve at least two mechanisms: the accumulation of opportunities or the need of top and basis and the concentration of goods and resources.

Second the analysis of causes, uses, structures, and effects. How, why, and with what consequences do difference distinguish categories of people socially different? Regarding this latter aspect the causes of differences relate to differences in performance and acquisition of resources which produce differences in rewards.

There are also substantial differences, called “added” that are not related to differences in performance but are the disadvantages produced between social groups as inscribed in the idea of differences between Caucasians and Negroes, women and men. American sociologist Charles Tilly defends the idea that durable differences are connected more to the persistence of substantial differences since they do not include any criteria of capacity acquisition. See, differences in earnings and access to command jobs between men and women in Brazilian society can no longer be attributed to resource acquisition.

Women are more educated than men. Main characteristics of differences in Brazil. Considering the principles described above for comprehending the thematic of differences there are a few important peculiarities to understand the phenomenon in Brazilian society. Firstly, Brazil is not a poor country but a country with a lot of poor people. In Brazil, in the year 2001 for a population of 165 million people the number of

people considered poor was about 56 million and the number of indigents, 23 million.

High numbers of poverty in Brazil are due to differences in income distribution which is considered one of the worst in the world. At the end of the 1990's individuals among the richest 10% of the population received about 50% of total family income. In other words, Brazil does not have scarce resources. According to economists Ricardo Paes de Barros, Ricardo Henriques, and Rosane Mendonça 64% of the countries in the world

have a lower per capita income and about 77% of the world population live in countries with lower per capita income than Brazil.

Secondly, the regional factor is another determinant for the access to the structure of opportunities in Brazil. Our regional differences are a huge problem to be dealt with if we want to advance in terms of economic growth. Thirdly, differences in Brazil are very stable. Considering various coefficients that measure these differences all of them, in the last two decades we see that numbers in Brazil have been practically unaltered.

Current situation of racial differences in Brazil. Before we talk about the data on racial differences it is important to consider the following information. Most of the statistical information in Brazil which will be presented in this class are from IBGE, Brazilian Institute of Geography and Statistics, an agency of the government that collects demographic and socioeconomic information about the country.

In terms of racial classification, IBGE uses an auto declaration of color with the following alternatives: white, black, mulatto, yellow for the population of Asian, and indigenous. Some studies of racial differences use the terms negro, non-white, or Afro descendents or black and mulatto classes put together. As mentioned above regional differences constitute a determinant factor in the comprehension of these differences. This is the first element considered in the analysis of social differences.

Table 1 shows the differences of population distribution according to color and regions. While the white population is in more developed regions such as the South and Southwest blacks and mulattos presence, especially of the latter is larger in the Northeast. This said, let's analyze the main aspects of racial differences referring to the model of socio-economical realization developed by sociologists Carlos Hasenbalg and Nelson do Valle Silva. The model allows us to understand social differences transmission process between generations that culminate in the labor market.

According to the authors a disadvantage cumulative process characterizes Brazil associated to discriminating mechanisms that black and mulatto population experience along its trajectory. In other words, determinant factors of racial differences must be observed along with the so called productive factors, for example, education and experience. But nonproductive factors must be emphasized. In other words, determinant factors of color, type, region correspond to discrimination and segmentation phenomena.

This model presents the stages shown in Table 1. Regarding social situation of families' available resources to family members are fundamental for individuals economic trajectory for constitution becomes a differential. Characteristics such as number of members, family income living conditions, education level of the individual and type of family change their opportunity structure. Resources internalization refers to possibilities of children and adolescents in these families to begin their own social trajectory.

Things such as child mortality rate, access to pre-school formal education characterize this stage of the process. Autonomous status acquisition corresponds to the life stage in which youngsters acquire their own social status primarily involving two dimensions access to labor market and marital choice corresponding to the constitution of a new family. The status realization phase corresponds to the moment when individuals assume their own, autonomous status defined by their position in the socio-occupational and personal income distribution. This process culminates with determining a family situation a moment when we come back to the initial phase of the cycle.

When analyzing this process considering color groups we can conclude the following. Regarding family situation there are few important things that must be considered. There is a clear disadvantage in families with Negro and mulatto breadwinners over those with Caucasian breadwinners. Caucasian breadwinners are more educated than Negro and mulatto breadwinners. Per capita income, with a Caucasian breadwinner is more than two times higher than families with Negro or mulatto breadwinners. The size of families with Caucasian breadwinners is smaller than those of Negro or mulatto breadwinners.

A lot of the disadvantages of these groups are certainly related to larger concentration

in rural areas and in the Northeast region. Statistics in Brazil classify families as follows. Unipersonal, couple with no children couple with children single person of reference with no children, and others. Regarding this aspect, the first thing that calls our attention is that in couples with children and couples with no children the percentage of males as person of reference which used to be called the family breadwinner is always higher. In other words, if there is a male the probability of the man being the "person of reference" is always very high, around 90% of the households.

Secondly, single person of reference with children normally present the worst socioeconomic conditions. Their family income is the lowest compared to other types of families. Families with Negro or mulatto breadwinners present higher proportions of female breadwinners. Negro women, when considered the person of reference constitute 63.4% of this type of family and Caucasians, 56.5%. However, there is a big difference between them. The income. Income of Negro women equals 45% of the Caucasian women as shown in Table 2.

In regards to education, as to the internalization of resources **process** education is the main thing to be considered. Generally, characteristics of educational differences are the average of school years is low: seven years for Caucasians, five, for Negroes and mulattos education is distributed unevenly due to a high co-relation between children's education and that of their parents, indicating lack of chance and there are huge regional differences in children's education. Authors Barros e Mendonça, analyzing education as one of the main determinants of differences point out that there are very few countries with educational differences such as the Brazilian case. For this reason, its impact on salary differences is very significant.

According to these authors, every school year in Brazil tends to elevate a workers salary by approximately 15% and this amount remained the same from 1876 - 1989. For a worker who studied only up to the fourth grade one additional year of school tends to elevate their salary by less than 15%. For a worker who has attended high school and college one additional year of school elevates salaries more than 15%. Data about illiteracy rates, education and years of school show that even though ratings for all races have improved differences among them are significant. Look at a few examples. In Graph 3, we have illiteracy rate by color for the population over 10 years old. For Caucasians, illiteracy rate is 7.1%. For Negroes, rate is 17.4% and for mulattos, 16.4%. Another significant factor refers to Negroes lazy schooling which is

explained in Table 2. Among students between the ages of 15 and 17, there are 60% of Caucasians in middle school. For Negroes and mulattos, the number is 32%. For students between the ages of 18 and 19 an age when those who have regularly attended school face the moment to start college there are 21.5% of Caucasians going in to college while 4.4% are Negroes, and 3.2% of mulattos get a chance to go to college.

Between the ages of 20 and 24 there are 53.6% of Caucasians in college and only 15.8% of Negroes and mulattos. Regarding unemployment, entering the labor market and income differences. The data about education, illiteracy, family situation show difficulties encountered by Negroes and mulattos to obtain necessary resources to enter the labor market. The data we will present to you now refer to their situation in terms of work access and their role in the labor market.

Graph 4 shows us the unemployment rate. According the Employment and Unemployment Research performed in six metropolitan regions in Brazil in the first semester of 2002. Negro population tend to have a higher rate of unemployment. The highest rates are in Salvador, 29% and São Paulo and Distrito Federal, 23%. For the Caucasian population, percentages are 19.9%, 16.7%, and 17.2%.

Job characteristics. Negroes and mulattos who join the labor market occupy more subordinate jobs which require little education and qualification and some oppositions help us understand better racial differences seen in the labor market.

Informality. Many studies highlight labor absorption capacity as one of the main characteristics of Brazil's labor market. However, this capacity has its counterpart the quality of job openings generated and type of insertion. Usually, these are jobs that require little qualification with precarious benefits. The 90's represented a period of economic reconstruction that mainly affected job characteristics leading to an increase in informal workers percent who'd be doing freelance and contractor work. This way, job positions and social security contribution are two important indicators of informality becoming important variables in qualifying or disqualifying job openings as shown in Graph 5. Negroes and mulattos have a higher number of freelance. There were 36.7% of Caucasians working without benefits but 45.7% of Negroes, and 52.7% of mulattos, in 2001. Likewise, their social security contribution is inferior what leads them to exit labor market since they have no access to retirement. There are 47.1% of Caucasians didn't pay contribution but percents were 54.9% of Negroes and 64.4% of

mulattos without regular contributions to social security.

Sex variable is another factor to detect differences in the situation of Negro men and women in the labor market. Negro males have set place in general services in traditional industries while Negro women still count on domestic services their way in to Brazilian labor market. This way, the situation of Negro females in the labor market result of two important factors of differences conformation gender and race. About 40% of Negro and mulatto women in Brazil are maids. Domestic labor in Brazil remains an important factor for the absorption of less educated women and with little professional experience. There is also a tendency to increase female spouses and main breadwinners within these activities. The large majority work as contractors.

In regards to age variable there is a tendency for Negroes and mulattos to start young. This early beginning in the labor market tends to represent a less qualified job. The main consequence of this is that qualification chances after entering the labor market are smaller. In relation to education and income, associating both. Negroes have a harder trajectory in the educational system. But added to that, Caucasians are able to have higher return in terms of income, than Negroes. As we look to population's educational levels within the labor market, I mean, the occupied population and its impact on income we see that only 2.3 years more of study for Caucasians lead them to make twice as much as Negroes and mulattos. Caucasians in the labor market studied an average of 8 years and have a 4.5 minimum wage income. Negroes and mulattos studied an average of 5.7 years and have 2.2 minimum wage income.

Besides, the biggest differences between different color groups are among more educated population. For example considering income differences among Caucasians, Negroes, and mulattos with more than 12 years of schooling in other words, they do not have any difference in education Caucasians with more than 12 years of schooling earn 40% more than Negroes and mulattos with the same education level. These aspects consequently lead to significant differences in life quality of the Negro population in Brazil.

Let's look at the rate of human development as our last example. The rate of human development was originally created to measure development rate of different countries based on education alphabetization and enrollment rate longevity, newborns' life expectancy and per capita income. The rating varies from 0, or no human development to 1 total human development. Brazilian economist Marcelo Paixão produced a study

where he separated Brazil's population by color to evaluate their differences related to human development. Evolution of the regional index of Caucasians and Negroes measured between 1991 and 2000 shows that despite improvement registered for both groups there was a certain distance for positions occupied between Negroes and Caucasians in Brazil in world ranking of life quality. In 1991, "Caucasian Brazil" was 65th or 66th among the most developed nations in the social aspect. In 2000, it reached 44th place. "Negro Brazil", however, that in 1991 was 101st out 102nd in 2000, dropped to 104th or 105th. Difference between the two "countries" went from 36 to 60 places, in the index ranking, in just ten years.

UN's study shows that Caucasian population in the beginning of the 90's, went from an average IDH to one even higher. At the same time Negro population stayed stable in an average position compatible with countries such as El Salvador and Moldavia. Graph 6 shows the differences between Caucasians, Negroes, and mulattos in terms of national income appropriation according to data of a national sampling research on households in 2001. Among the poorest 10% population of the country there are 59.5% of mulattos, 7.8% of Negroes and 32.7% of Caucasians. Among the richest 1%, 11% are mulattos 1.8% are Negroes, and 87.2% are Caucasians.

If we take into account that racial composition of Brazil's population is 53% Caucasian, 5.6% Negroes, and 40.4% mulattos differences are very significant. The data presented here show us how this racial difference process in Brazil is cumulative. It starts with the family origin, where they live and as the individual goes through all the trajectories such as education, access to the labor market income acquisition, this process becomes cumulative. In other words, racial differences intensify the difficulties in the trajectory of Negroes and mulattos. Along with difficulties on the access of resources there are also impediments in terms of discrimination which are very much seen in schooling's initial phase. One of the reasons for educational differences is the treatment of Negro children in school as well as in the search for work. Unemployment rates among Negroes and mulattos are very high because there are difficulties in the search for work.