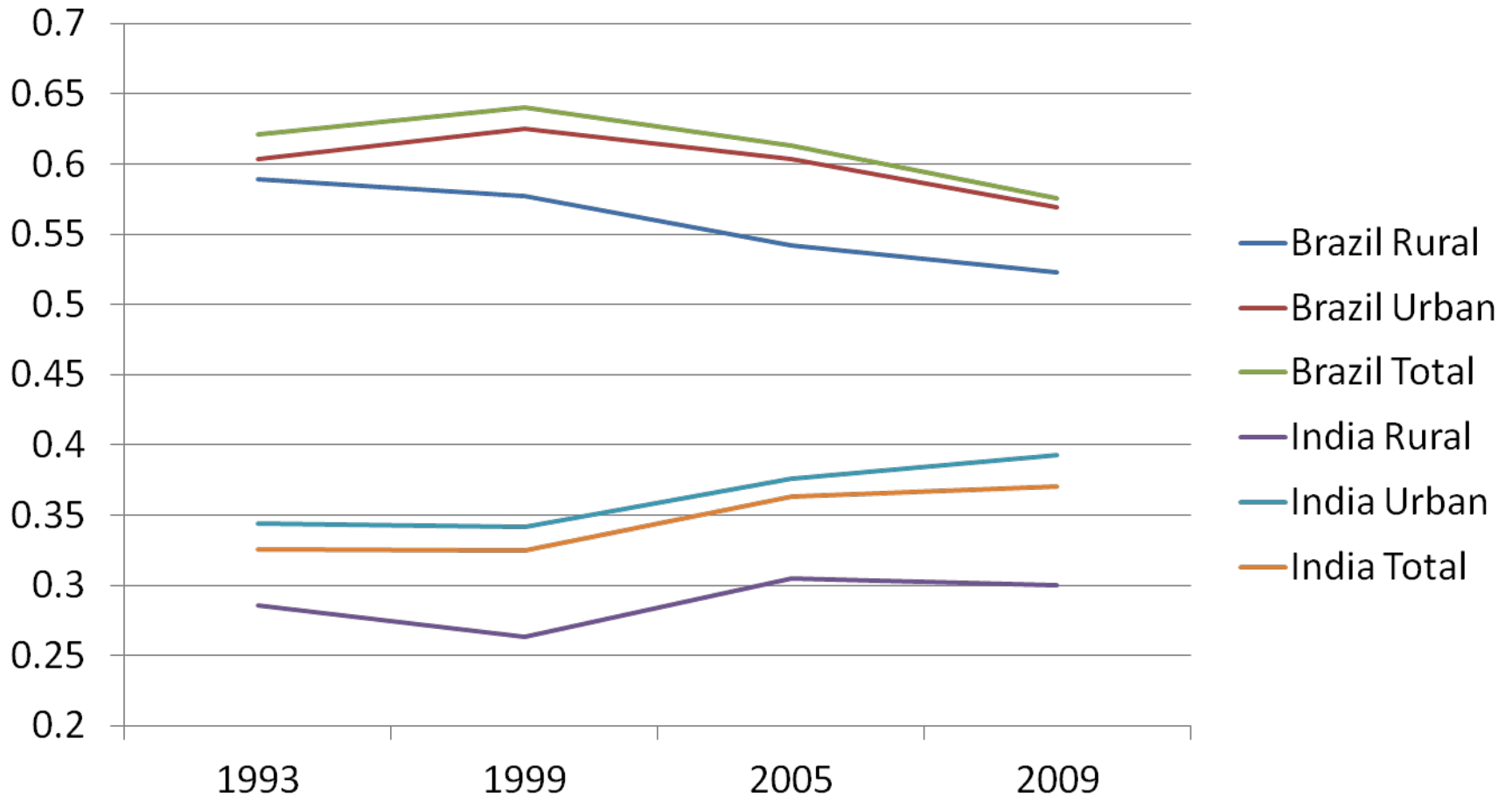


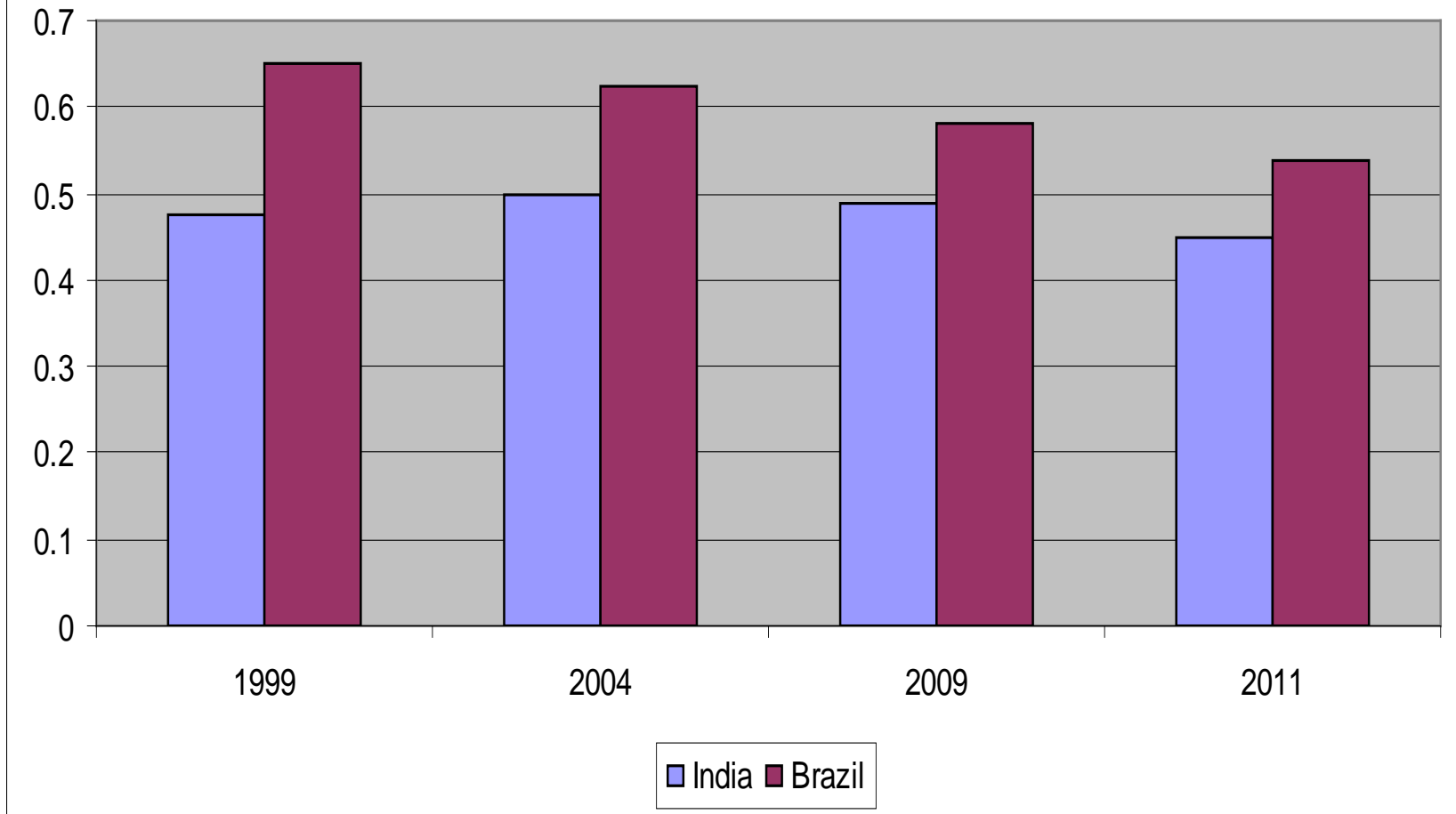
Growth and Inequality in India and Brazil

Cebrap-IHD project on Labour
Market Inequality in Brazil and India
December 2013

Gini Coefficient of Household Income (Brazil) and Household Expenditure (India), 1993 - 2009



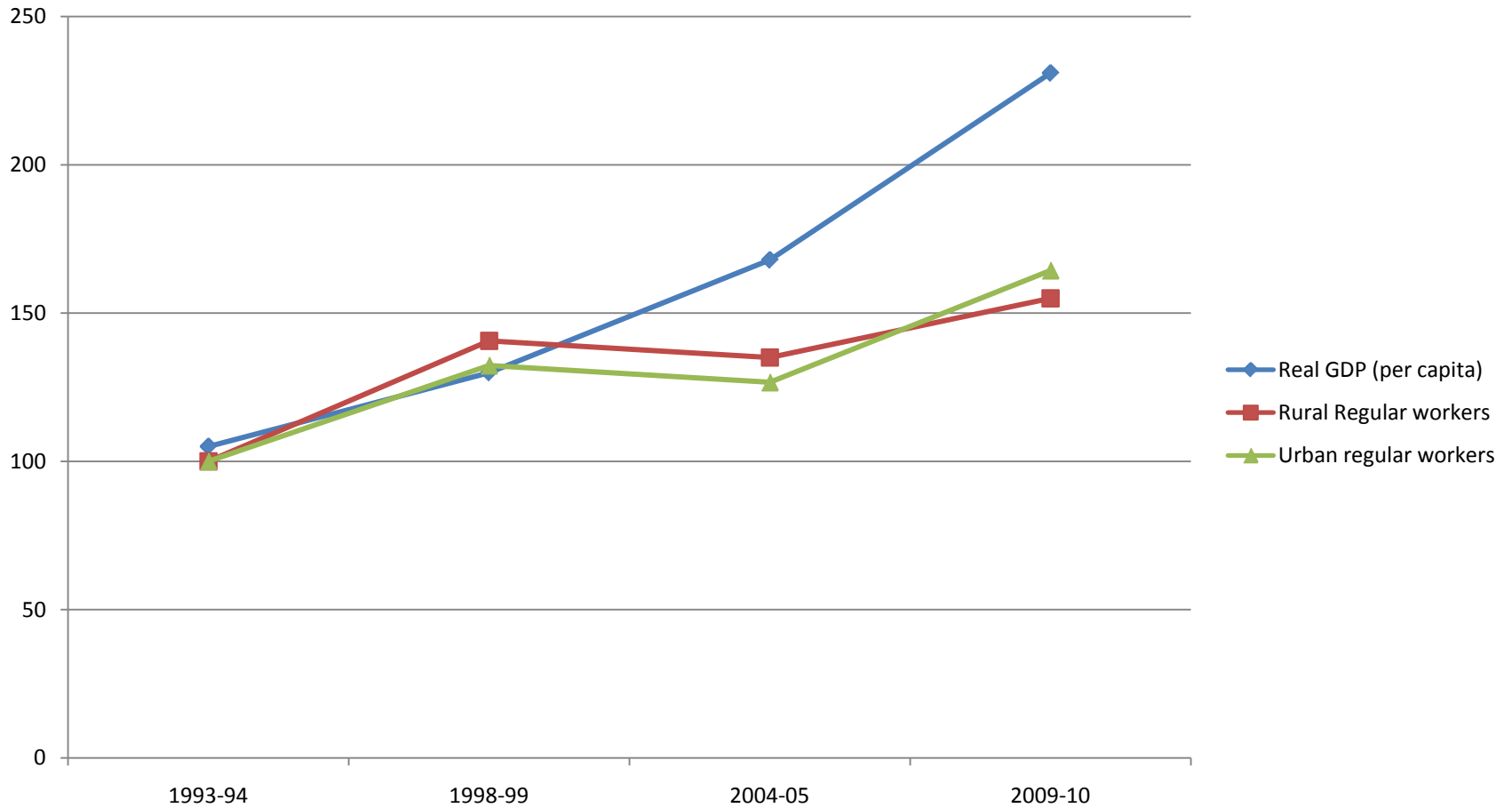
Theil index, earnings, Brazil and India



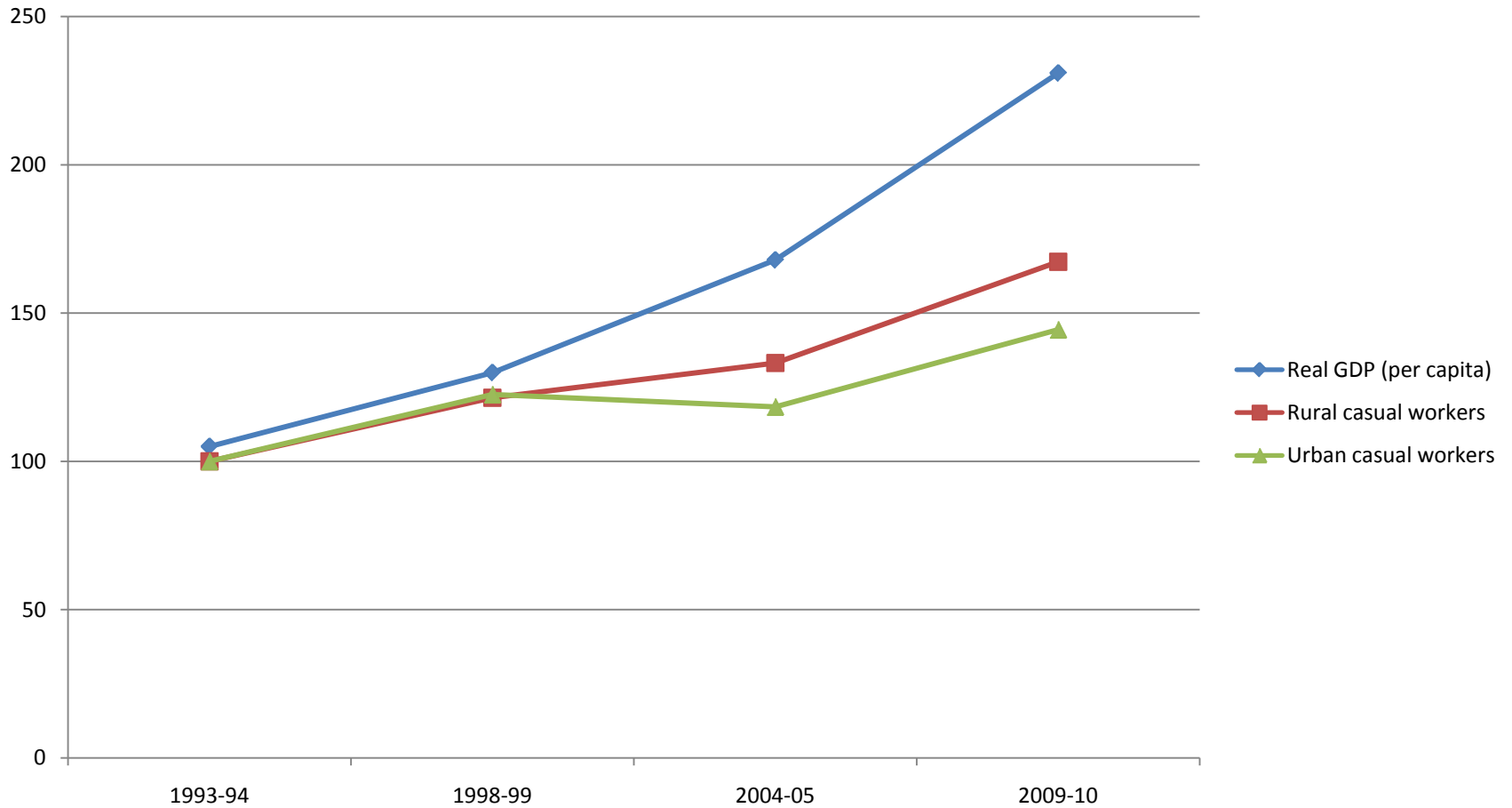
Comparative analysis

- Quantitative cross-section
 - Using national sample surveys to investigate patterns of inter-household inequalities in consumption/income or interpersonal inequalities in earnings
 - Key dimensions education, sex, caste, race, gender, region, sector
 - Earnings functions and decompositions
- Historical-institutional
 - Pattern of growth and employment
 - Segmentations, class structures and structural divides
 - “Growth, accumulation and distribution regimes”

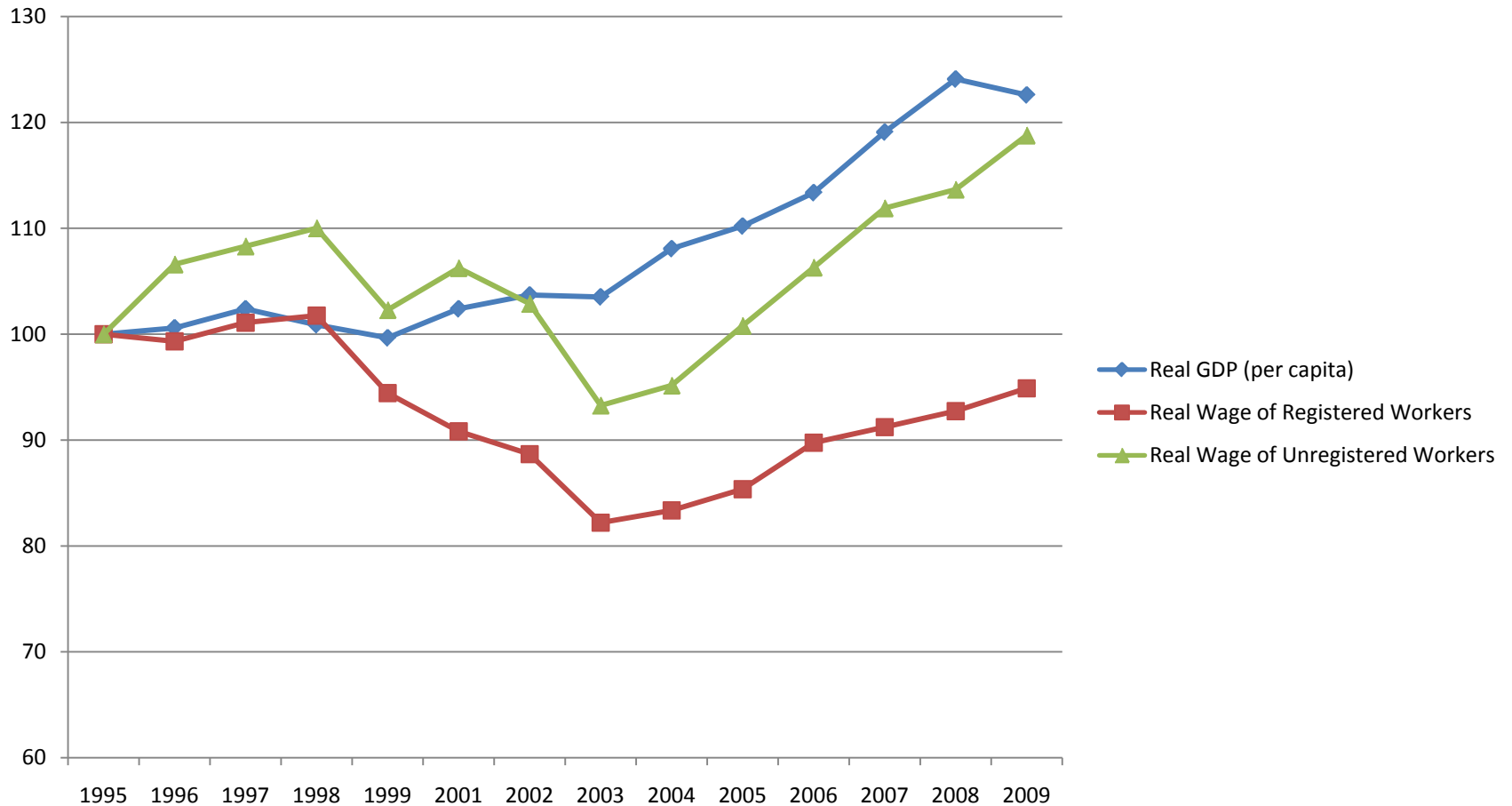
Pattern of change in Real GDP (per capita) and Real Wages (Regular workers) in India from 1993-94 to 2009-10



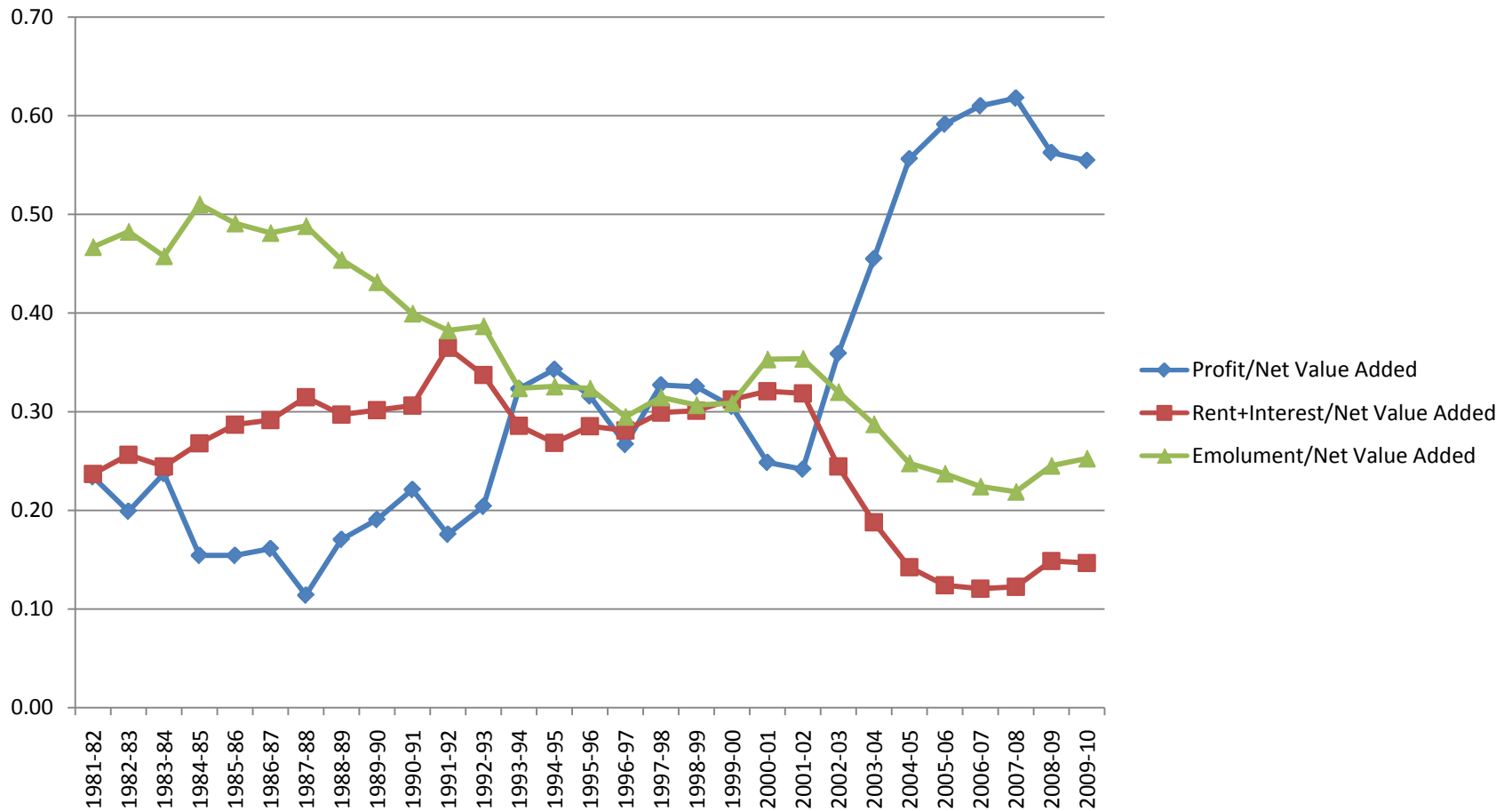
Pattern of change in Real GDP (per capita) and Real Wages (Casual Workers) in India from 1993-94 to 2009-10



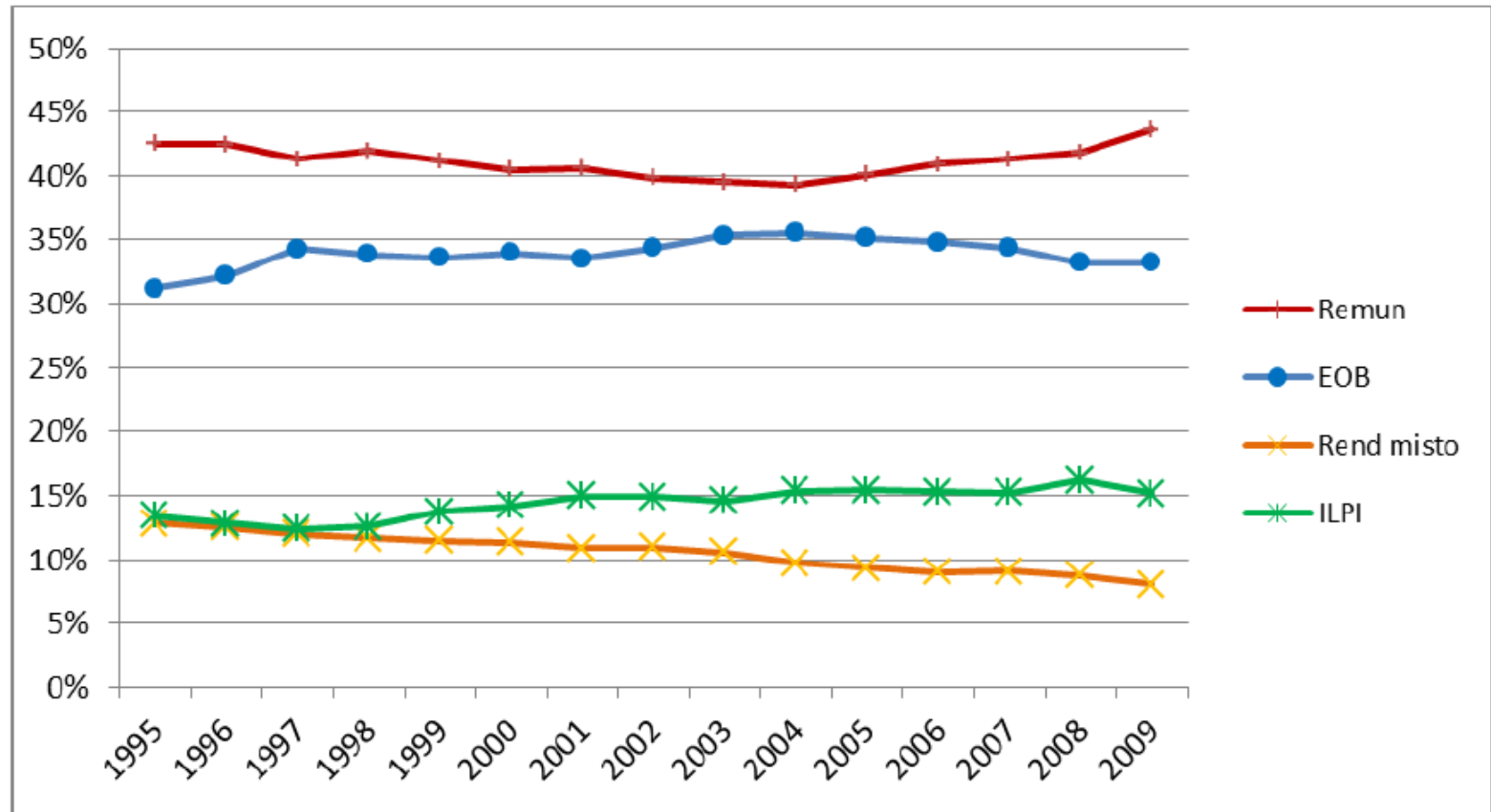
Pattern of change in Real GDP (per capita) and Real Wages in Brazil from 1995 to 2009



Pattern of Wage Share in India for Organized Sector Workers, 1981-2010



Functional distribution of income, Brazil, 1995 to 2009



Earnings inequality and work status (Theil indices)

	1999	2004	2009	2011
India (regular and casual workers)				
Rural				
Total inequality	.37	.37	.30	.28
Within	.22 (61%)	.25 (68%)	.21 (70%)	.21 (76%)
Between	.14 (39%)	.11 (32%)	.08 (30%)	.06 (24%)
Urban				
Total inequality	.40	.44	.46	.45
Within	.32 (82%)	.37 (86%)	.38 (83%)	.39 (88%)
Between	.07 (18%)	.06 (14%)	.07 (17%)	.05 (12%)
Brazil (registered and unregistered workers)				
Total inequality	0.65	0.62	0.58	0.54
Within	0.50 (77%)	0.53 (85%)	0.50 (86%)	0.47 (88%)
Between	0.15 (33%)	0.10 (15%)	0.08 (14%)	0.06 (12%)

Earnings inequality by caste (India) and race (Brazil) (Theil indices)

	1999	2004	2009	2011
INDIA: Caste				
Regular workers				
Total Inequality	0.359	0.424	0.432	0.430
Within	.342 (95%)	0.396 (93%)	.412 (95%)	.405 (94%)
Between	.017 (5%)	.028 (7%)	.020 (5%)	.025 (6%)
Casual Workers				
Total Inequality	0.178	0.152	0.120	0.129
Within	.172 (97%)	.149 (98%)	.117 (98%)	.126 (98%)
Between	.006 (3%)	.003 (2%)	.003 (2%)	.003 (2%)
BRAZIL: Race				
Total Inequality	0.650	0.624	0.580	0.537
Within	0.592 (91%)	0.576 (92%)	0.544 (94%)	0.504 (94%)
Between	0.058 (9%)	0.048 (5%)	0.037 (6%)	0.032 (6%)

Regional inequality of expenditure (India) and income (Brazil) (Theil indices)

	1999	2004	2009	2011
India (expenditure)				
Total	.19	.23	.26	.26
Within	.16 (88%)	.20 (88%)	.23 (87%)	.22 (85%)
Between	.02 (12%)	.02 (12%)	.03 (13%)	.04 (13%)
Brazil (income)				
Total	0.79	0.65	0.58	0.55
Within	0.71 (90%)	0.60 (92%)	0.54 (93%)	0.51 (93%)
Between	0.08 (10%)	0.05 (8%)	0.04 (7%)	0.04 (7%)

Growth and distribution regimes

– 1930s/1940s until around 1980

- India: State-led planning and investment, import substitution and slow growth, some state action to limit inequality but development of dualist labour markets
- Brazil: State-capitalist alliance, growth of middle class, import substitution, period of high growth, eventually suppression of labour and growing inequality

– 1980s to today

- India: external and internal liberalization, diminishing economic role of state, weakening of labour institutions, high growth but limited creation of good jobs
- Brazil: external and internal liberalization leading to economic crisis, high unemployment, but reregulation after 2002 with revival of labour institutions and stronger social policy