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RESEARCH ARTICLE

Challenging the Réal Plan:
An Examination of Human Rights and Socioeconomic Marginalization in Brazil

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Abstract

The purpose of this paper is to explore the relationship between the Réal Plan and its impact on Brazilian society – specifically marginalized groups such as impoverished, nonwhite, and indigenous communities. The first part of this research looks at the intersection of race, poverty, and income inequality. The latter looks at indigenous communities and their fight to retain their ancestral lands. By exploring why these groups have not attained any sort of social autonomy in spite of the Réal Plan in the past, we can identify the factors that have kept these groups oppressed and how to help these groups' progress in the future.

Keywords: Réal Plan; Human Rights; Socioeconomic Marginalization; Poverty; Brazil.

Introduction

Over the last decade, many scholars have referred to Brazil as a breakout nation due to their stellar economic turnaround. Brazil's economy has been growing since the 1990s and is currently the seventh largest economy in the world, surpassing the other South American nations. Many attribute Brazil's booming economy to former Finance Minister and President Fernando Henrique Cardoso, who instituted the Réal Plan in 1992 to save the country from rampant hyperinflation.

The Réal Plan aimed to address many of the fiscal imbalances that had occurred over the last 40 years. The plan was broken up into two portions, the monetary or economic portion and the government or social portion. In the economic portion, the Réal Plan set out to create spending cuts in the federal budget, free up revenue tied to constitutional provisions, tax financial transactions, and renegotiate state debt. Also, the Réal Plan also set up for instituting a new currency. In 1994, President Cardoso introduced the Real Unit of Value (URV) a currency based on the US dollar. Over the next few months, inflation dropped from 47 percent to 3 percent which paved the way for economic stabilization in Brazil (Cardoso, 2010).

This economic and social policy has done wonders for the economic stabilization of Brazil and the social mobility for the middle and upper classes. However, Brazil still faces rampant

inequality along racial and class lines, which have improved very little over the last two decades. What exactly has hindered the social, political, and economic mobility of impoverished people, nonwhite Brazilians, and indigenous communities? What has caused these harsh socioeconomic conditions to persist even though the rest of the country seems to have benefitted socially and economically from the Réal Plan?

The reason for the lack of mobility among these groups are attributed to the Brazilian government's underfunding of public education, mismatching the needs of communities with the policies implemented, and favoring economic and social advancement among the wealthy elites over social equality. Overall, the social part of the Réal Plan and the policies implemented to address social inequality were at best, misdirected, and at worst a complete and total failure.

By exploring each of these factors and highlighting all of the misguided policy decisions this article aims to show that the Brazilian government has not only made critical mistakes in catering to the needs of its wealthier population, but in some cases condoned the marginalization of these various minority groups.

Poverty and Income Inequality

The Réal Plan has had an enormous impact on Brazil economically and socially in both positive and negative ways. It is no doubt that, at first glance, Brazil seems to be an economically and socially sound country that makes remarkable progress every year. However, upon digging a little deeper, it becomes clear that while many have benefitted from Brazil's economic boom, there are still many who live in poverty which is divided along racial lines.

Over the years, the Réal Plan has received much praise for its economic policies that saved the country. In 2011, the Brazilian Ambassador to Pakistan, Alfredo Leoni, was giving a speech entitled "Brazil's Economic Success" in which he hailed the plan as the country's saving grace. Leoni touted that inflation was down 4.4 percent, unemployment was down to 7 percent, and literacy country wide was up to 92 percent. In addition, Leoni mentioned that GDP per capital was US$10,500 (URV) and that exports exceeded imports in the previous year. He also cited Brazil's transition to a fully established democracy and the fact that there have been 18 years of solid economic growth and stability as the reason to celebrate the Réal Plan ("The Nation", 2011). While these statistics are true, they focus on the strict monetary value of economic growth. They do not account for societal and cultural aspects of life in Brazil— especially peoples who are impoverished or targeted for discriminatory practices because of their race.

Education Inequality

Impoverished peoples around the world have the least social, economic, and political mobility due to their lack of resources. This lack of resources leaves those who live in poverty vulnerable to marginalization and discrimination from other classes in society and the government. Brazil is no exception. In fact, 31 percent of Brazilians live in poverty and 11 percent of Brazilians in extreme poverty (Gueds, Brondizio, Barbieri, Resende, Fenna-firme, and D'antona, 2012). Poverty in Brazil largely affects rural communities the most due to the region's lack of resources.

One of the driving forces behind poverty in Brazil is the lack of adequate education. The public school system has been in decline since the mid-twentieth century, which has caused unnecessary strain on rural communities. In rural areas, school rarely ever goes past the 8th grade, which forces families and students to move to urban areas to attain a higher status of education. This lack of access to education puts even more strain on families and the surrounding community. Rural households have few skills that apply to the urban labor market, and urban public schools are not equipped to handle the influx of rural students. These ill-equipped public schools do not provide an adequate education for students which leave impoverished students stuck in a cycle of poverty (Moore, 2003).

The fact that only 27 percent of the Brazilian population completes 8th grade has caused an educational crisis and labor market shortages where the majority of the workforce is uneducated and unskilled ("Human Development", 2014). Around the same time as the initiation of the Real Plan, the Brazilian government recognized the need for additional education among rural and impoverished students. To correct for the educational deficiencies, they began to set up vocational programs. The vocational program instituted for rural students was known as Projovem, which was designed to promote rural agricultural development through entrepreneurial and agricultural

technical training. In this program, students would learn the same cognitive abilities they would learn in a regular high school setting. They also learn the science of agriculture, agricultural management, agricultural production, marketing, research and development, cost-benefit analysis and how to apply for bank loans (Moore, 2003).

On the surface, this policy seems like a great way to get rural indigent students to develop their industrial farming businesses. However, the government failed to recognize many of the struggles that poor rural students face when looking to further their education. For example, the program costs between US$2900 to US$3500 per student per year, which causes additional financial strain on families that are already struggling financially. In addition, the program delivered as full-time. This is an unrealistic expectation because many of the families these rural students come from have small family farms that require their help to maintain. By only implementing a full-time program, students are forced to choose between eating and their education, which causes many students miss school, fall behind, and fail out of school. When asked in a survey, students responded that the most desirable program would be one in which they could learn the most relevant skills as fast as possible. Instead, the government has not asked what the needs of the community are, nor have they implemented an effective policy that helps elevate these families out of poverty (Soares, 2012).

Failed Reforms

Similarly, as a part of the Réal Plan, a series of Amazonian settlement projects were created to industrialize and build infrastructure in rural and remote areas of Brazil. These programs were designed to help family farmers, called smallholders. However, very few of these programs have had any lasting positive impact on reducing rural poverty and instead have harmed family-based agriculture. Under these series of programs, the government gave subsidies to newer corporate cattle ranchers looking to create farms in rural areas. While this did create considerable economic growth in the region, it quickly became a problem for family farms as they competed for land and resources against large corporations. As the corporate farms bought more land and increased in size, it decreased in the availability of access to schools, transportation, health care, and public services available to smallholders. Many smallholders were forced to sell off their land and move into urban areas. However, many of them faced even greater struggles because their skill-set did not prepare them for the urban labor market (Guedes et al., 2012). This case shows that the Brazilian government cares more about the economic incentives of giving land to corporate cattle ranchers than small, rural families who rely on farming for their livelihood.

The Brazilian government has made many sloppy attempts over the years to try and remedy poverty of the rural areas. However, the government clearly has not made the effort to reach out and understand the true needs of the community Many have countered the government's past failures by pointing to the Bolsa Familia Program's success. Bolsa Familia is a social program instituted in 2003 that gives direct funds to households every month. This program is comparable to Temporary Assistance for Needy Families (TANF) or Supplemental Nutrition Assistance Program (SNAP) in the United States. Though politicians and economists have touted this program across the globe as a way to reduce extreme poverty since 2003, it has only reduced poverty by about 1.6 percent (Soares, 2012).

Upon reviewing the differences between the Réal Plan's economic and social portions, it is clear to see that there are many shortcomings between the two halves. The economy is strong and stable, but there are millions still in poverty even with the programs and incentives that were implemented. The reason there has been a lack of social progress among the poor is because the government has mismatched the needs of the community with the policies implemented. The government would need to create government organizations that deal directly with impoverished communities to identify the needs of the community and implement policies to alleviate poverty on a full-scale.

Another discrepancy in the social portion of the Réal Plan is the complete lack of an adequate education system. For Brazil to mend the social inequality among the poor, there needs to be a total overhaul of the public education system. Brazil should create an organization that deals directly and only with the public education system and staff the agency with academics and education public policy experts. In addition, there needs to be more resources available to rural students with flexible scheduling. Brazil needs to rethink and tweak their vocational education programs to

match the needs of the students while still providing quality education. Then the government could begin to formulate a policy that serves teachers, students, and the community most efficiently and begin to solve the problem with labor market shortages by creating more skilled workers.

Both of these suggestions would alleviate a significant portion of the poverty that occurs in Brazil. By asking the needs of the community and educating poor students, it elevates their status in society by giving them the needed tools, the political and social mobility they need to succeed. However, one of the best things Brazil can do for impoverished rural communities is to stop giving incentives to large corporations. Instead, incentives should be given to small family farms. Giving large corporations subsidies generates more wealth for the country, but increases the income inequality between the rich and poor. By pushing these families' needs aside, it dooms them to repeat the cycle of poverty.

Race and Class

Similar to the problems with poverty, inequality has caused massive disparities between race and class in Brazil. When the Réal Plan was first announced to the public, it was introduced as the economic and social plan that would save the country and elevate everyone in society. However, the inequality gap in Brazil has only further widened since the installation of the plan, and the government has not addressed this critical issue. Much of this inequality has to with the racial dynamics in Brazil and deep racial and class lines in which Brazilian society is divided.

Discussing race in Brazil is a very volatile and complicated topic to understand as it is very different from western conceptions of race and ethnicity. Brazil identifies itself as a racial democracy which means that Brazilian society and government believe that they transcend racial lines and that race does not significantly impact one's life chances (Telles, 1994). In essence, the general feeling is that by not acknowledging race, there can be no racism.

The concept of a racial democracy originates from Brazil's long history of slavery, which did not end until 1888. There are many varying ideas of why Brazil wanted to develop a racial democracy, but the most common one is that it was developed as a new form of social order. After slavery had ended, many elites wanted segregation and division between blacks and whites. Therefore, by creating the myth of racial democracy, government, businesses, and social institutions could be discriminatory without being held accountable by the legal system. The only law ever passed in Brazil in regards to race was a law in 1950 that banned racial discrimination. However, this law is rarely ever used or enforced (Telles, 1994). It was not until the 1990s when the Cardoso Administration acknowledged racial inequalities and started trying to make amends for a century of unacknowledged racism (Htun, 2005).

Brazil's long-standing belief in racial democracy has caused many negative side effects including institutionalized racism, marginalization, and limited opportunities for nonwhite Brazilians. These human rights violations have created an enormous gap between race, class, employment, income inequality, and standards of living (Arujo, 2014). Today in Brazil there is a very carefully crafted system that benefits white Brazilians, but excludes nonwhite Brazilians. This system has created an abundance of social problems as well as an identity crisis among nonwhite Brazilians as they often try to escape their race.

Though nothing in the Réal Plan was specifically designed to address racial disparities, the plan was packaged as a method of elevating that status of everyone in society. In regards to race, this has been a complete and utter failure. There have been few attempts by the government to institute policies that protect nonwhite individuals. Furthermore no legal actions have been taken to define race or to enforce existing laws that ban racial discrimination. This lack of acknowledgment has created an identity crisis in Brazil when nonwhites try identifying themselves with a particular race.

Racial Identification

The way people identify themselves racially in Brazil is radically different from the way race is perceived by the Western world. For example, Brazilians do not identify by race, but instead by their skin color. One's "race" can significantly depend on their life situation: the region where one lives or what social class they occupy. Those who are considered black in the United States may not be considered black in Brazil — in some cases blacks in the US may be considered white in Brazil (Telles, 2004).

Since race is a fluid concept, there are two different methods of classification to determine race or skin color. The two distinct methods of classification are government census and self-identification. On the government census, often an interviewer will check off the perceived race of another individual as White (Branco), Brown (Pardo), Black (Preto), Asian (Amarelo), or Indigenous (Indígena). The self-identification method includes the listed above as well as Moreno (Light Brown, informal) and Mulatto (Mixed) (Telles, 2004). Therefore, one's race depends on the system of classification that is used.

There are many reasons for the differences in perceived race and self-identified race. Race in Brazil carries connotations about the character of a person and their value in society. Often when people use the method of self-identification, they tend to identify as lighter skinned than their actual skin color. This is due to a societal belief of that blackness is to be escaped and whiteness is something you work to achieve (Owensby, 2005). Self-identification can involve the rejection or acceptance of symbols, traditions, and lifestyles that are associated with different categories of race. Moreover, dress, language, and perceived level of education are things that others may also associate with color and race (Owensby, 2005). Many spend their time avoiding the labels "nonwhite" and "black" because they carry negative connotations in society (Telles, 2004).

Nonwhites in Brazil, primarily blacks, have had a hard time coming to terms with their race and skin color because of the negative connotations it carries in society. Though race was not a primary portion described in the Réal Plan, it does have indirect ties because of the plan's promise to elevate everyone in society, including nonwhite Brazilians.

Non-Whites in Brazil

Even though blacks make up half of the Brazilian population, as a group they are still very far behind their white counterparts in income, education, and standards of living. One of the factors contributing to this lack of social mobility is the access to quality education. As discussed previously, many Brazilian students go to private school due to the failing public education system in Brazil that occurred throughout the 20th century (Telles, 2004). Many of the students who attend private schools are white and middle to upper class.

Education inequality in Brazil disproportionally affects blacks and nonwhites, but does not limit itself to just primary and secondary education. For example, the Brazilian government continues to subsidize the wealthiest students who attend their high-quality public universities. Often these students are white and attend private school until college. Blacks and nonwhites attend poorly staffed and underfunded public schools and often do not even earn the grades to qualify for public university admissions (Telles, 2004).

The wealthiest seven percent of the population accounts for 27 percent of all undergraduate college students. Meanwhile, the poorest 40 percent only account for five percent of the students in all of higher education. Moreover, the government spends 3.5 times its income per capita on each public university student — or 6.5 billion dollars each year on public higher education for only five percent of the college-age cohort. These expenditures total roughly twenty times the amount for each elementary or secondary student (Telles, 2004).

The government instituted affirmative action-type programs to help elevate the status of blacks in Brazil. Under their affirmative action program, the state has required Afro-Brazilian history in public schools and imposed quotas on blacks and other public school students in federal universities (Owensby, 2005). While there are many proponents of affirmative action, the program instated in Brazil has not successfully increased Afro-Brazilian enrollment in universities. As a consequence of their inability to obtain higher education, the income gap continues to grow larger every year between whites and non-whites.

The government rewards wealthier families for being able to afford a private education at the grade school and university levels, whereas poorer students are punished for being poor. This gap in education has further divided society upon racial, and class lines. By underfunding public education, where primarily nonwhite students attend, they are favoring wealthy white elites — whether intentionally or unintentionally. By giving wealthier students the advantage of getting an education, this has not only created a gap in education, but created an increasingly widening gap in income and standards of living. Income inequality in Brazil has reached uncontrollable levels, and much of the working and lower classes have had to carry the burden.

Economic Inequality

Inequality is one of Brazil's biggest social problems. The rampant inequality has led to increased rates of poverty, failing health and education systems, high rates of crime, and lack of political and social integration among the majority of the population (Telles, 2004). There are several different tools that can be used to identify the rates of social and economic inequality. The best way to identify economic inequality is by looking at the GINI Coefficient. The GINI Coefficient is an index set up by the World Bank to measure how much each individual's or household's income deviates from perfect distribution ("Brazil", 2013).

While the GINI Index is useful for looking at the overall inequality scores in Brazil, the best way to get a more detailed breakdown of the social and economic inequality in the country is by looking at the Human Development Index (HDI). The HDI "measures [the] average national achievements on three dimensions: long and healthy life, knowledge, and standard of living. The specific data inputs include life expectancy, infant mortality, adult literacy, and school enrollment" (Telles, 2004). By using the Human Development Index and the GINI Coefficient this paper will be able to identify the level of progress Brazil has made economically and socially since the installation of the Réal Plan.

The best method for looking at overall income inequality in Brazil is using the GINI Coefficient. On the GINI Index, a score of 0 represents perfect equality whereas a score of 100 represents perfect inequality. As of 2012, Brazil's GINI Coefficient stands at 52.7, which means that Brazil has a high level of income inequality. Income inequality and poverty are linked directly to each other: when the upper class has a disproportionate sum of money to the lower classes it creates poverty, class distinctions and even divided on racial lines ("Brazil", 2013).

The GINI Coefficient sets the stage for understanding inequality as a whole in Brazil, but to get a more detailed view of where inequality occurs it is better to use the HDI. The HDI uses three different methods to categorize countries. First, it measures a country's development on a scale of .000 to .999— the higher the score, the higher the level of development. Secondly, based these scores it puts them into categories of low human development, moderate human development, high human development, and very high human development. Lastly, it also ranks each out of 187 countries. Brazil currently has a score of .744 — which puts them in the category of high human development — and ranks 79 out of 187 countries. Since the institution of the Réal Plan, life expectancy has increased by about six years. The average years of education have risen to 7 years, and the Gross National Income (GNI) has increased by about US$4,000 (URV) ("Brazil", 2013).

When looking at the HDI scores, Brazil seems to be fairing well in regards to equality. However, these numbers are representative of development in the country before adjusting for the levels of income inequality. Thus, a secondary index was developed to correct for these inconsistencies entitled the Inequality-adjusted Human Development Index (IHDI). When adjusting for the inequality, Brazil's HDI score falls from .744 to .542 which is equal to a total loss of around 27 percent of the development. Inequality in life expectancy is about 14.5 percent, inequality in education stands at 24.7 percent and income inequality at 39.7 percent ("Human Development", 2014).

Moreover, the HDI goes into further breaking down income inequality based on class and racial lines. The richest 10 percent earn 50 percent of Brazil's income, whereas the poorest 10 percent earn 1.1 percent of Brazil's annual revenue ("Human Development", 2014). The highest earning 10 percent are earning twenty-eight times the income of the bottom 40 percent (Telles, 2004). In addition, blacks were 3.5 times more likely to be poor compared to whites. Lastly, 18 percent of nonwhite households were considered indigent compared to 6 percent of white households, 32 percent were found to be poor compared to 16 percent of white households (Telles, 2004).

The GINI score clearly shows that income inequality is a huge problem in Brazil, but when looking at the HDI and IHDI it shows that the inequality is much more severe than one might assume. When looking at the numbers presented in the GINI coefficient, HDI, and IHDI, it is clear to see that there are some severe discrepancies. The Brazilian government says their policy implementation, including the Réal Plan, have improved the country exponentially. However, when looking at the statistics, clearly this is not the case.

Examining Government Policies

Different scholars have explored other reasons as to why inequality is so high. Scholars like Thomas E. Skidmore argue inequality is a result of government corruption whereas Edward E. Telles argues that it is because of severe racial discrimination in the labor market. This paper finds that both scholars have truth in their findings related to income and racial inequality. Firstly, Skidmore finds that relaxed government policies coupled with government corruption has created a system that rewards white elites and punishes poor nonwhites. For example, Skidmore finds that government policies have always favored the highest 5 to 10 percent of the country who control the most wealth. Elites usually do not use their influence for federal funding of programs, but instead have an enormous influence on the tax laws and benefits. The elites in Brazil have used their power to change the tax laws to benefit the middle and upper classes. In Brazil, the tax system is dependent on payroll and indirect taxes. Everyone in Brazil pays their fair share of taxes, but when it comes to reimbursements the lowest income payers receive significantly less than his or her more affluent counterparts. As Skidmore explains, the Brazilian government has essentially become a powerful channel for elites to redistribute income from the bottom of the population to the top (Skidmore, 2004).

Brazil struggles with income inequality. However, the government has done very little to curb these inequalities — which speaks to the motives of the government. Why has not the government addressed these inequalities? Why is education underfunded? Though one may never fully understand the motives behind the decisions made or policies implemented on behalf of any governing body, it is important to think critically about the reasoning behind their actions. One may be able to understand the Brazilian government's lack of action towards race and inequality by looking at their past.

History of Discrimination

Up until the 1970s, scholars and officials claimed that inequality had little to do with race, but rather argued that non-whites' lack of mobility was due to the recent end of slavery. Many scholars argued that nonwhites would gradually acquire enough human and cultural capital to compete with whites. Even though scholars have abandoned this line of thinking, many older generations, including those who are still in charge of government, still hold on to some of these same beliefs — that societal barriers will be broken down over time. However, even when controlling for variables such as education, work experience, social origins, and region, at least a third of the differences in income between the races continue to exist. Researchers believe that racial inequality is caused by discrimination in the labor market (Telles, 1998).

Edward E. Telles looks to the Brazilian labor market to explain some of the racial discrimination and divides that have occurred in society. According to Telles, racial inequality is not derived from the absence of white Brazilians among the poor, but nonwhites among the middle and upper classes. In essence, there is little to no social mobility among nonwhites (Telles, 2004). Telles looks to the HDI to interpret how these racial inequalities are distributed. In the early 1990s, blacks earned 63 percent of what whites earned and this gap has only further widened over time as the government gives more and more incentives to wealthier individuals and corporations (Telles, 2004). Telles finds that many business owners felt that having blacks in positions where customers could see them would hurt the company's reputation. This popular thought, as well as minimal government intervention, has allowed nonwhites to be discriminated against on the basis of race without any legal recourse or protection. In the same study, when white and nonwhite males were randomly paired, white males were 25 percent more likely to be in higher occupational positions. Whites were also 5.3 times more likely to hold positions at the top of the company (Telles, 1998).

However, this is not true for all jobs in Brazil. For example, racial inequality in white collar jobs has increased but decreased in blue-collar jobs. The decreased level of inequality in blue collar jobs has created a form of social segregation between whites and nonwhites. The attitude in Brazil is that society accepts and enjoys nonwhites working in blue-collar jobs, but feels uncomfortable when confronted by their presence in white-collar jobs. This is because of the societal feeling toward the "place of blacks" — a Brazilian term. Blue-collar jobs are considered to be "their place." This belief is why many blacks reduce their aspirations: to avoid humiliation and racial discrimination when applying for managerial or white-collar jobs (Telles, 1994). Because of the

government's lack of acknowledgment and willingness to address these social inequities, marginalization persists among nonwhites in the workplace.

It is clear to see that while much of society benefitted from the economic and government portions of the Réal Plan, inequality is rampant throughout the country. The statistics only slightly tell the story of Brazil's economic success while sweeping under the rug all of the societal and economic disparities. These disparities of poverty, income inequality, and racial divisions come from the inequalities in societal and economic policies. These inequalities also have spilled over to indigenous communities in Brazil.

Indigenous communities face huge social and economic problems as the government continues to sell their ancestral lands to companies for development. The Brazilian government takes traditional lands that belong to indigenous groups and sells them to corporations for a profit to develop them with dams, roads, bridges, and other means of industrialization. Because of this, indigenous communities cannot use the land to hunt to eat and most end up starving to death. Though the Brazilian government has passed a few laws regarding indigenous communities, they have not made progress in recognizing the rights of indigenous communities (Schettini, 2012).

Many feel that industrializing these lands is the only way to improve the region and view indigenous communities as obstacles and an impediment to progress. Indigenous communities see these government actions as exploitation of nature and the commercialization of natural resources. They also rely heavily on the ecosystem in which they live in for their survival and therefore these governmental actions are threatening their way of life. By ignoring the indigenous relationship to their land, the government leaves these communities vulnerable in every way (Schettini, 2012).

Indigenous Communities

Indigenous communities are traditional groups that live on the fringes of society and are currently one of Brazil's most marginalized groups. Estimates put between 35 and 55 million indigenous peoples in Latin America, most of who are confined to the poorest areas of their respective nations. In Brazil, the government's capitalistic exploits in recent decades have destroyed and killed many indigenous groups. Over the past two decades, Brazil has focused largely developing indigenous land for large-scale infrastructure projects, bioprospecting projects, and excavation of minerals, hydrocarbons, and other natural resources (Schettini, 2012).

The groups that have been the most heavily impacted by these careless decisions are indigenous groups that either live in complete isolation or those with very limited contact with the outside world. Estimates conclude that there are at least 10,000 living in complete voluntary isolation, in the remote and tropical parts of Bolivia, Brazil, Colombia, Ecuador, Paraguay, Peru, and Venezuela. According to one study, first contact and isolated indigenous communities share several characteristics:

"(1) They are highly integrated into the ecosystems which they inhabit, maintaining a closely interdependent relationship with the environment. (2) Their intimate knowledge of their environment enables them to maintain a self-sufficient lifestyle over the long term, but it also has the effect of making preservation and sustained use of their territories critical to their survival. (3) They are unfamiliar with the ways in which mainstream society functions, and are thus defenseless and incredibly vulnerable when various actors attempt to approach them" (Shelton, 2014).

Due to their unique lifestyle, indigenous communities often face problems regarding their lack of social and political autonomy. One of the biggest problems they face is the retention of their ancestral territories. Very few of the states in Brazil recognize the prior ownership of these lands and even fewer than that recognize them as sovereign and independent nations. Since many of these groups lack any legal title or document recognized by the Brazilian government, they become "subject to the whims of the State created in the wake of invasion and occupation." Not only are their ancestral lands being taken away, but their ecosystems are being destroyed by pollution, logging, and mining, among many other industrial factors (Shelton, 2014).

Government Exploitation

In addition to the industrial travesties that are being committed, social encroachments on their territory threaten their culture and way of life. When a first contact or isolated groups come into contact with modern technology it can be traumatic and change their social construct, traditional patterns, and rituals. Moreover, they are most likely to suffer human rights violations at the hands of those who seek to exploit the natural resources on their lands. These criminals are rarely prosecuted or punished for their crimes against humanity. These offenses are due to the growing pressure to consume more and more natural resources that threaten "the cultural, spiritual and physical survival of such communities" (Shelton, 2014).

Many NGOs — focused on helping preserve the rights and lands of indigenous groups —refer to the industrialization and encroachment as a "silent genocide" In the same study, the author concluded that:

"Despite the variety of legal responses, the challenges and dangers to indigenous peoples in isolation tend to be the same: the gradual but persistent invasion of their territories; legal and illegal exploitation of the natural resources essential to their survival; and illnesses and epidemics that come with the incursions" (Shelton, 2014).

The Brazilian government has done little if anything, to protect these groups from the constant exploitation and extinction. The one thing Brazil and other South American countries have done provided legally protected lands that are reserved for these indigenous peoples in isolation to alleviate the pressure on these groups. They, in theory, are supposed to prohibit access to all outsiders, but in practice these rules are rarely respected and followed by the general population and rarely enforced by the authorities.

Though the Réal Plan never specifically included language that directly intended to help indigenous communities, the Brazilian constitution affords rights and protections to all Brazilian citizens, even indigenous communities. Since the social portion of the Réal Plan was based on the constitution, the Brazilian government has an obligation to protect these individuals, even if they live on the outskirts of society. Up to this point, the Brazilian government has seen as indigenous communities as a problem in the periphery, something that does not need to be dealt with right now. However, thousands of indigenous peoples are dying as their land in developed and destroyed. The Brazilian government has often favored industrializing in order generate for profit in the country, but at what cost? Even though there are laws on the books protecting these groups, many of those laws are overlooked to push industrialization policies forward.

There are many different programs that can be used to highlight the problems with the Brazilian government's push for industrial reform in rural areas of the country. In recent decades, they have instituted several different types of programs to develop Amazonia and create a secure economic future for Brazil. These plans have had positive impacts on the Brazilian economy, but adverse effects on the environment and land that is so critical to indigenous people's survival. Due to the increasing pressure to expand and industrialize, the Brazilian government has zoned off different blocks that are specifically designated for hydrocarbon activities. The government then leases these blocks to multinational energy companies for exploration and production. The problem with these gas fields is that much of the time, they overlap with indigenous lands, titled and non-titled, and have created an unprecedented impact upon these communities (Finer, Jenkins, Pimm, Keane, and Ross, 2008). A similar study concludes that:

"Direct impacts include deforestation for access roads, drilling platforms, and pipelines, and contamination from oil spills and wastewater discharges. Indirect effects arise from the easy access to previously remote primary forest provided by new oil roads and pipeline routes, causing increased logging, hunting, and deforestation from human settlement" (Finer et al, 2008).

For indigenous communities, especially those living in isolation, it can be the deciding factor between life and death. The same study finds that roads have one of the highest correlations to deforestation in Amazonia. Creating new roads creates new direct impacts, such as habitat fragmenting and indirect impacts such as colonization, illegal logging, and unsustainable hunting (Finer et al, 2008).

Though there are serious impacts for creating these geographical blocks, it has not stopped countries like Brazil from expanding and creating more. In 2005, Brazil had zoned off 25 blocks surrounding gas fields in Amazonia — which totaled about 67,000 square kilometers of leased land. As of 2008, nearly 400 kilometers of gas pipeline was being constructed to connect the Urucu gas fields to Manaus, and another 500 kilometers of pipeline was proposed to carry gas to Porto Velho. The Brazilian government also had plans to lease more acreage near the border of Bolivia, Peru, and Brazil (Finer et al, 2008). Given the fact that hydrocarbon activity has increased so drastically within recent decades, the problems associated with hydrocarbon mining are likely to intensify over time without serious and improved policies.

Another example of the harmful effects industrialization has had on indigenous communities is the Brazilian government created program Forward Brazil. Forward Brazil was a package of 338 projects established to industrialize Brazil's Legal Amazon Region between 2000 and 2007 and total 43 billion USD. The plan was the successor to "Brazil on the Move" or "Brazil in Action," a similar infrastructure plan between the years 1996 and 1999 (Fearnside, 2002).

When Forward Brazil was first introduced to the public, there were many problems in the way the program was presented and executed. There was a severe lack of governmental oversight of the program, lack of consideration for indigenous communities, and the ethically questionable practices used to push the project forward. When the project was first presented to prospective investors, it was presented as an unregulated venture. Any company or investment firm could pick and choose from as many projects to undertake as they wanted without having to generate any cost-benefit analysis or reports regarding the environmental and social impacts. However after choosing to invest in a project, companies were required to contract a consulting firm to create a cost-benefit analysis. Because these companies had financial interests invested they were more likely to generate a favorable report that minimized the social and environmental impacts. Even though this practice is illegal, many of these favorable reports went unnoticed and were passed by the Brazilian government. In some cases, the government did discover skewed reports and "banned" many projects. However, these same projects would come up several years later and be approved by the government under a different name (Fearnside, 2002). Overall, Forward Brazil overlooked the environmental and social damage the projects created in favor of industrialization and corporate profit (Fearnside, 2002).

Conclusion

When the Réal Plan was first introduced, it was packaged as a policy that would elevate everyone's status in society. Its goal was to create economic reform and provide adequate programs for the poor and create new educational programs, as well as fund public schools. The plan did adequately stimulate the economy and control hyperinflation in the country. However, as a whole, the plan is a failure because it failed to elevate the status of nonwhites and indigenous communities, failed to alleviate poverty nationwide, and failed to provide adequate public education and vocational programs for impoverished students. In addition, this policy is a failure because the Brazilian government favored wealthy white elites over nonwhites, underfunded public education, mismatched the needs of the communities with the policies implemented, and favored economic advancement over social equality.

Brazil is a complicated mess of inequality, poverty, and racial issues. These three characteristics often intermingle and are hard to separate from one another because they are so intertwined. Impoverished and indigenous peoples suffer in different ways from the harmful effects of industrialization. Nonwhites in Brazil face institutionalized discriminatory practices in the workplace and in other aspects of life that have caused them to be decades behind their white counterparts. Income inequality is rampant in the country and benefits largely the wealthy white elites at the top of the social hierarchy. In order to remedy these situations, the Brazilian government has often instituted programs that either fail to recognize the needs of each community or the government blatantly ignores the plights of each community in order to increase the State's economic gains.

Overall, the social part of the Réal Plan and the policies implemented to address social inequality were at best, misdirected, and at worst, a complete and total failure.

Conflict of interest statement

The authors declare that they do not have any conflict of interest.

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