

[DOI: 10.20472/IAC.2019.046.018](https://doi.org/10.20472/IAC.2019.046.018)

LILIAN RIBEIRO

Federal University of Ceara, Brazil

CAPITAL AND POVERTY IN BRAZIL

Abstract:

The article analyzes the influence of social capital on income and, consequently, on poverty in Brazil. To meet this objective, we estimated the Probit model and its marginal effects. However, previously, a social capital index (CSI) was produced using the main components technique, in which three categories of indicators were considered: participation in organizations / associations; density of the partner and trust in people, based on the data provided by the World Values Survey. The results showed that in addition to social capital contributing positively to income, its impact is higher, for example, to the impacts caused by employment, marriage or because the individual is white. That is, while the probability ratio suggests that social capital can raise the level of income by 2.7 times, this increase in the income level of the individuals that are employed is only 1.4 times (when faced with other types of occupancy: students, housewives and retirees), 1.1 times for those who are married and 1.2 times for white individuals (compared to indigenous, brown and yellow). Through the marginal effects, it was verified that the lower the income scale, the greater the impact of social capital on income generation and consequently on poverty reduction. An increase in share capital reduces by 19% the probability of the lowest income category to continue to achieve low incomes. For the next, two, three and four income categories, the chances of falling are 10, 6.4 and 4.1%, respectively. However, the contribution of social capital seems to be lower than that derived from human capital, represented by the dummy that indicates if the individual has a full course, compared to the non-literate. Finally, the results show that social capital represents an important tool to reduce poverty or to alleviate poor living conditions, which may eventually occur in times of economic recession. In view of this, it is suggested that cultural social cohesions; environmental; professionals; humanitarian, among others, based on trust, cooperation, reciprocity and solidarity should be encouraged. For these cohesions, which are commonly referred to as social capital, are possibly a good measure of poverty reduction in developing countries.

Keywords:

capital social, social cohesions, poverty

JEL Classification: I30, I31, I32