

CAIE Geography Pre-U

3B: Spatial Inequality and Poverty Issues Case Studies



Brazil

Colonisation

In 1500, **Portugal colonised Brazil** and used slavery to fuel the Brazilian economy. Brazil gained independence in 1822 and after this, they remained dependent on the export of unprocessed raw materials.

Between **1973 and 1974 oil prices quadrupled** meaning that Brazil could no longer afford to buy oil. This led to increased trade between the South American countries and the creation of **Mercosur** in 1991 which allowed free trade between South American countries. Brazil also increased the export of **cash crops** to allow it to **qualify for the World Bank and IMF**.

National inequality

The main cities in Brazil are located along the south coast and are separated from the rest of the country by mountains and forests. This makes transport difficult and would require a lot of investment to allow goods to be transported. The **South-East of the country provides 56.4% of the GDP and contains 42.1% of the population**. Brazil is in the **top ten for income inequality** and **21.4% of the population fall below the poverty line**.

Rio's intra-urban inequalities

20% of people in Rio live in Favelas. Big company buildings and luxury houses are situated right next to the favelas of Rio. **10% of people in Rio own 50% of the wealth**.

However, there are some strategies and programmes being put in place to reduce poverty and inequality.

- **Brazil Without Misery** aims to improve access to health services, education and infrastructure, create jobs and provide vocational training.
- The **World Bank provided \$8 billion** to support Brazil Without Misery. At the heart of this programme is the **Bolsa Familia cash transfer**. This gives low-income families between **R\$15 and R\$95 each month**. In exchange for this money, families agree to **keep their children in school as well as following a vaccination and basic health care programme**. Bolsa Familia has given financial support to over **50 million families** and has helped **reduce poverty in ten years by 28%**.
- There is also a drive to introduce pension schemes to encourage people to work as well as investing in agricultural businesses. In the last decade, **40 million people have been lifted out of poverty in Brazil**.

The Rio Olympic Games

The Games **improved infrastructure**, allowed **housing developments** to take place and led to a **clean up of the environment**. It also led to **police pacification** which is the reclamation of territories run by gangs in the Favelas of Brazil.

However, **US\$51 billion were spent** on the games and this money could have been spent on improving local people's living standards and reducing inequalities. The games also led to **water pollution** due to rubbish. An article on the Rio Olympics can be found [here](#).



Cornwall

The state of Cornwall's economy

Between 2009 and 2012 there were more business closures than start-ups which reflected the impact of the recession. **22% of the population of Cornwall are self-employed** compared with **14.2% which is the UK average**. Average **earnings annually are 77.4% of the UK average** and Cornwall's **productivity is 74% of England's average** because of a lack of large employment units, a high level of part-time work and also low industrial structure. More information on the current state of Cornwall's economy can be found [here](#).

Reasons for the poor economy in Cornwall

- **A decline in the fishing industry:** Fishing was the mainstay of the economy, as well as fishing, Cornwall also salted and pressed the fish to collect the oil to be used for heating and lighting. However, the industry was damaged by overfishing leading to the introduction of fishing quotas.
- **A decline in the mining of tin:** In 1801 16,000 people were employed in Cornwall's 75 mines and Cornwall provided around half of the world's tin. However, in 1985 tin prices plummeted and in 1998 the last tin mine in Cornwall closed.
- **Farming decline:** In 1984 CAP placed restrictions of milk production and Cornwall's dairy herds decreased by 14% in the following ten years. They also were hit by Mad Cow disease and the Foot and Mouth crisis which both caused a massive decline in the industry.
- **Tourism:** Tourism provides 24% of Cornwall's GDP and supports 1 in 5 jobs. However, poor weather has a big impact on tourism and so the level of income to Cornwall can massively fluctuate due to their heavy reliance on tourism.
- **Long-term underinvestment by the government:** Cornwall has a net loss of £300 million due to the government extracting more money than it returns in investment and services.

Haiti

Facts

The **richest 10% of Haitians receive 47.8% of the nation's income while the poorest 10% receive less than 0.9%**. Haiti had a **primary school enrollment rate of 88% in 2011**. There **GDP per capita in 2014 was \$1300 and is now around \$700** and **80% of the population are living in poverty**.

Causes

11.3% of Haiti's land is highly suitable and 32% suitable for cultivation, meaning that for a country that relies on primary products it doesn't have much available, suitable land for agriculture which is the main source of income in many LICs.

Haiti is very **prone to natural disasters** and so spends a lot of money and time on recovery rather than on developing. There is an **absence of social assistance and poor housing** which leads to



diseases and more than a **million families rely on international aid**. When the US took control of Haiti to try and stop the spread of black rebellion they put pressure on Haiti to enter a free market and to plant luxury crops rather than food crops. This caused **\$40 million worth of debt** and led to Haiti becoming a massive importer of rice rather than an exporter. Food aid and other forms of material aid being pumped into Haiti are causing people to be put out of business.

Management

The World Bank Group Country Partnership Framework **trained 3,500 teachers**, built or rehabilitated **91 schools**, served **20,500 children with hot school meals** between 2017-2018 and trained **4 million people in cholera prevention and health education**.

The government is embarking on a **multipronged initiative to combat cholera, stimulate the economy through job creation, improve infrastructure and permanently rehouse the displaced people**. They are mainly doing this by creating **incentives** for private sector investments and FDI by offering **15-year tax holidays, duty-free access to US markets and subsidies**.

Sanitation and hygiene projects have improved access to **25 toilet blocks and hand washing stations** whilst supplying **medical supplies to 15,000 residents** in the Brooklyn neighbourhood. **Oxfam** is supporting **1.2 million people** through two humanitarian and recovery programmes. Finally, a South Korean Apparel company known as Sae-A has built a **\$78 million development** in Haiti's north corridor which is providing **20,000 jobs** and **directly supporting the livelihoods of up to 120,000 people**.

