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# The Rich Stay Rich and the Poor Stay Poor: Income Inequality in Brazil and Mexico

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## Abstract

*This article examines the trends of income inequality in Brazil and Mexico. This analysis is interesting because the two most populous countries in Latin America have among the lowest life expectancies in the Americas. Mexico has consistently lower levels of income inequality than Brazil, though Brazil has made some progress more recently. Nevertheless, both nations still have very high rates of income inequality. This article compares the recent trends of income inequality in two nations and examines how the actions of the governments have affected income inequality and how effective they have been at reducing it. This analysis also offers a series of solutions based on Brazil and Mexico's failures and success at reducing income inequality, with the expressed purpose of improving health, life, living conditions, and education for those living in poverty and extreme poverty in Brazil and Mexico.*

## I. Introduction

Since 1990, the two biggest economies in Latin America, and among the biggest in the world, are grossly inequitable: the affluent and impoverished live in dramatically different conditions and have vast disparities in their incomes. Brazil and Mexico have enormous rates of income inequality, and while they appear to be improving, the rates are very different, and the countries are headed in different directions.

This article compares a variety of indicators of income inequality, examine the income distribution between Brazil and Mexico to report their levels of income inequality and compare the two nations. Additionally, this article explores what steps the two nations have taken in addressing income inequality and then determine if such steps are necessary from an ethical perspective, using multiple different ethical approaches and frameworks to determine if Brazil and Mexico should enact income inequality policies to address an unethical status quo, or if the situation is an ethical one and the circumstances should carry on as is.

This article begins by examining the literature of other authors on income inequality in Brazil and Mexico, then explore the socioeconomic background of the nations. After that, it will compare income inequality between 1990 and 2022, as data is available, discuss the steps the two countries are taking to address income inequality, and then provide an ethical analysis of income inequality in the two nations, followed by a conclusion.

## II. Literature Review

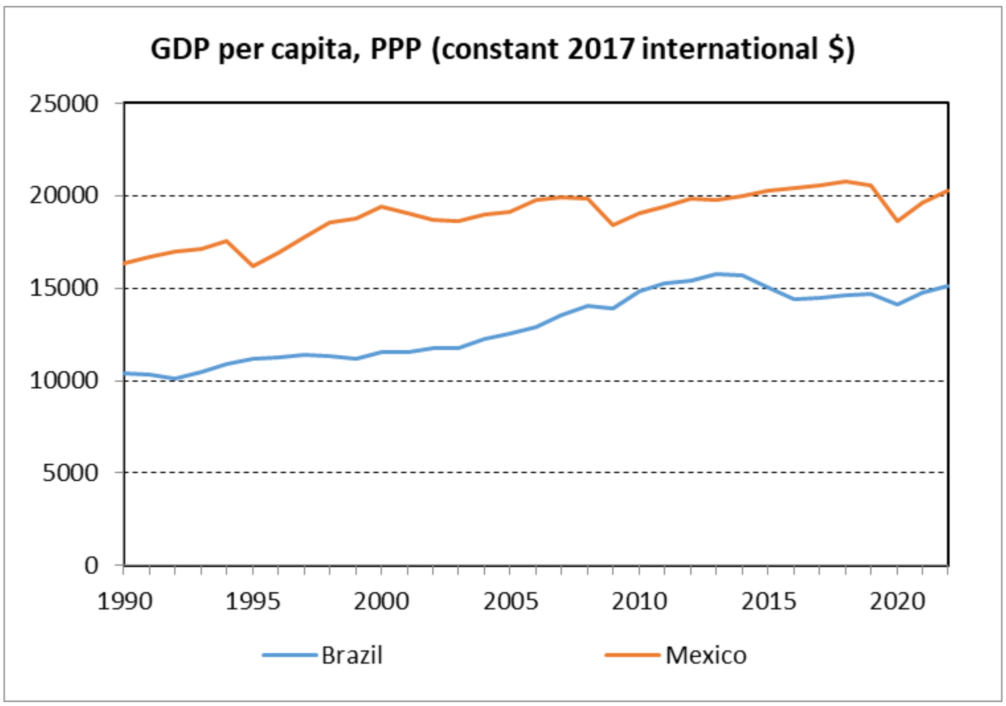
Due to the high level of income inequality in the two nations, there is a significant amount of literature on Brazil and Mexico. Two influential publications, Signor and Kim (2019) and Medeiros and Souza (2013), examine income inequality in Brazil, while Esquivel and Cruces (2011) and del Castillo Negrete Rovira (2017) focus on Mexico. The authors discuss how both nations have significant issues with income inequality and assess, but disagree, how much it is improving. Ríos (2024) is one of the latest news reports covering income inequality in Mexico, which states that income inequality has recently been decreasing.

- Signor and Kim (2019) begin by comparing Brazil to the rest of Latin America, which experienced a significant decline in income inequality in the 1990s, yet "Brazil continues to experience high levels of income inequality in comparison with other Latin American or advanced economies" (Signor and Kim, 2019) They further point out that income inequality is present across all of Brazil's states, but some of their government policies, especially income transfer programs, have reduced inequality in Brazil.
- Medeiros and Souza (2013) examine the Brazilian government's own contribution to income inequality in the nation. They find that contrary to findings in other countries, the payments made by the government between 2008 and 2009 increased income inequality. In essence, government employee pays, unemployment benefits, and uncapped social security pensions flowed less to the poor than the rich. Indeed, "this share of pensions that exceeds the cap is so regressive that it, alone, offsets the sum of the progressive effects of all direct contributions to pensions, both from private and public sector workers." They also find that the primary progressive contributions to decreasing income inequality come from the private sector, not the government.
- Esquivel and Cruces (2011) investigate how income inequality has changed in Mexico since NAFTA. They begin by immediately asserting that the problem of income inequality in Mexico is not in dispute: it has been a problem since the beginning of the 1900s and has had the highest rates in Latin America, the region with the highest income inequality. They also note there have been no significant reductions or changes in income inequality since the 1980s, but that trend is beginning to reverse, with notable decreases in income inequality, which they attribute to technological upgrades and social programs focused on poor people in rural environments.
- Del Castillo Negrete Rovira (2017) agrees that inequality in Mexico is very high but instead finds that contrary to official income figures, income inequality actually increased between 2004 and 2014. They adjusted the official statistics for the differences in the type of income and other methods proposed by different scholars and concluded that income inequality has increased despite some indicators saying it has decreased.
- Unlike all of the previous literature, Ríos (2024) reports that income inequality has been decreasing during the past six years in Mexico, with the upper classes' income share declining from 62 percent to 58 percent. They contribute this change to three main factors. First, the increases in the minimum wage, the bolstering of unions, and the reduction of subcontracting. Second, to changes in the business ecosystem, with the returns of smaller companies having had exceptional returns. And third, to decreases in rents charged by households in the upper-middle-class and rich socioeconomic strata.

## III. Socioeconomic Background

Brazil and Mexico have experienced remarkably similar socioeconomic trends, but one country has generally been better off. One example is their economies. When examining gross domestic product per capita, adjusted for purchasing power parity in terms of constant dollars (see Figure 1), both nations experienced an upward growth trend from 1990 to 2023 but experienced some declines. In 2009, both countries experienced a dip in their GDP per capita, but Mexico's decline in GDP per capita was much more significant. Because the Great Recession was brought about by a U.S. financial market collapse, Mexico, due to its close trade relations with the United States, was more impacted by the Great Recession than Brazil. In 2020, both countries experienced another decline in their GDP per capita, this time due to COVID-19, with Mexico once again experiencing a deeper decline than Brazil. Despite experiencing sharper declines, Mexico's GDP per capita was significantly higher than Brazil's during the entire 1990–2022 period.

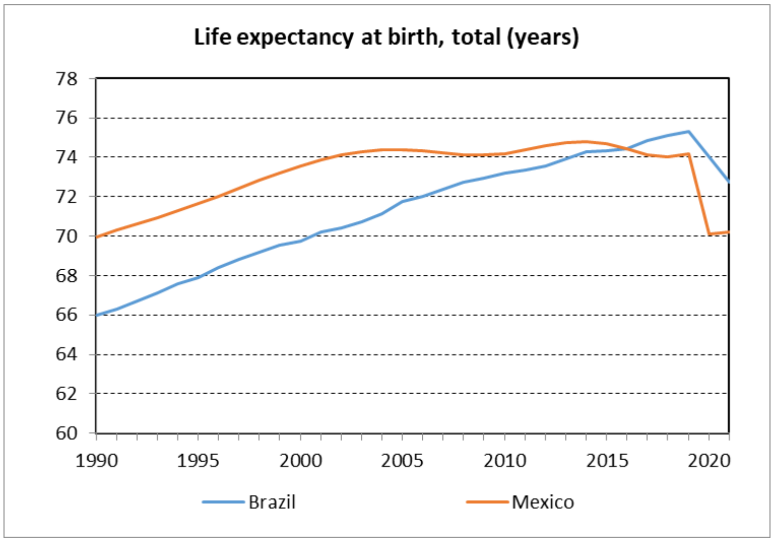
**Figure 1: GDP per capita, PPP (constant 2017 international $), 1990–2022**




Source: Created by author based on World Bank (2024).

Figure 2 shows the evolution of life expectancy at birth, i.e., the total years one is expected to live, from 1990 to 2021. Since 1990, the two countries have steadily increased their life expectancies, but from 2004 to 2019, Mexico's life expectancy has remained chiefly stagnant, as demonstrated by flattening out of Mexico's line shown in Figure 2. Brazil, on the other hand, has experienced more significant growth that persisted until 2019. Although Mexico started off having an about 4-years-higher life expectancy than Brazil in 1990, Brazil managed to increase its life expectancy above Mexico in 2016. In 2019, both countries experienced significant declines in life expectancy, which persisted in 2020 and 2021. In 2022, Mexico's life expectancy stabilized at its 2021 level (70 years), while Brazil's life expectancy continued to decline, reaching 73.3 years in 2022.

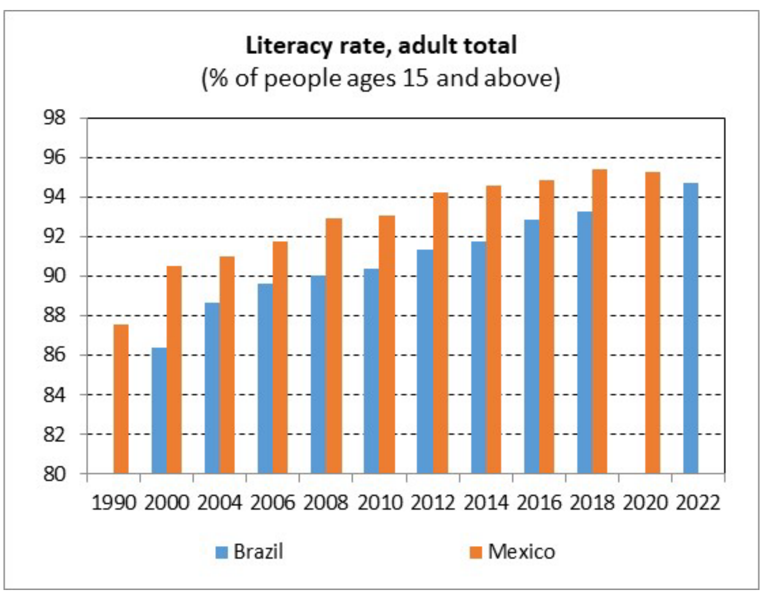
**Figure 2: Life Expectancy at Birth (for women and men, in years), 1990–2022**




Source: Created by author based on World Bank (2024).

Figure 3 shows the adult literacy rates of Brazil and Mexico, which is available for Brazil from 2000 to 2022, and from 1990 to 2020 for Mexico. The first observation is that Mexico's literacy rate in 1990 was higher than Brazil's ten years later. In 2000, Brazil had a literacy rate of 86.4 percent, while Mexico had a literacy rate of 90.5 percent. Throughout all the years, Mexico had a considerably higher literacy rates than Brazil, though both countries were able to increase their literacy rates. By 2018, which is the last year such data is available for both countries, Brazil increased its literacy rate to 93.2 percent, while Mexico increased it to 95.4 percent. Hence, compared to 2000, Brazil has caught up a bit with Mexico, though far from completely.

**Figure 3: Adult Literacy Rate (percent of people ages 15 and above)**




Source: Created by author based on World Bank (2024).

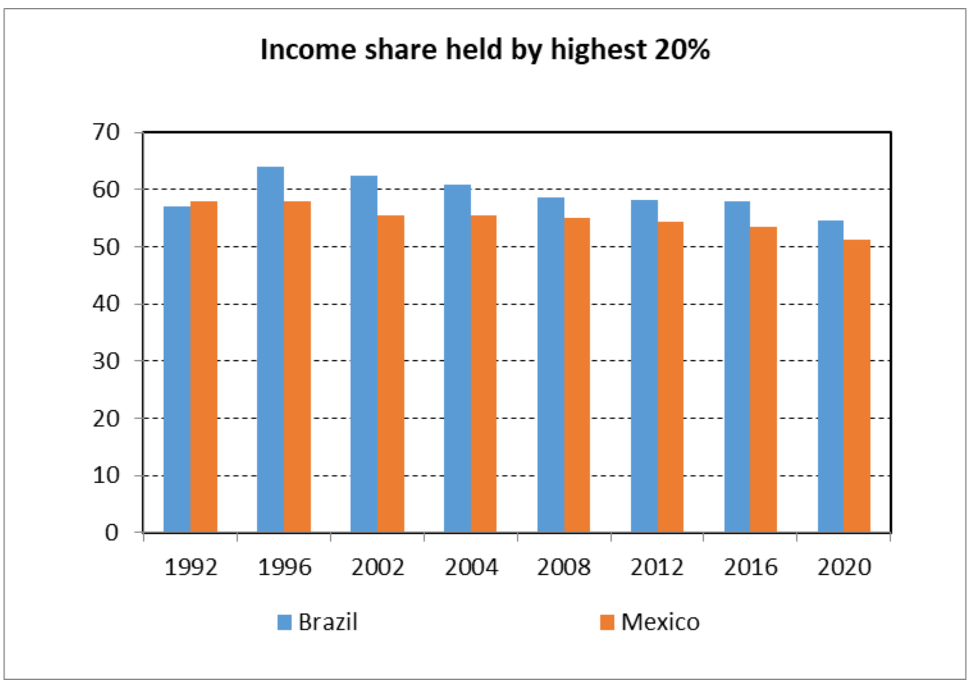
## IV. Analysis of Inequality

This analysis of inequality is divided into two subsections. Subsection IV.1. examines the evolution of a.) income shares by quintiles, b.) the Palma ratio, and c.) the Gini index. Subsection IV.2. analyzes inequality in education and health.

### IV.1. Income Shares by Quintiles, Palma Ratio, and the Gini Index

Mexico and Brazil have high levels of inequality. While inequality is multi-dimensional, one of the most essential ways of examining it is by examining income inequality. Another key indicator would be comparing the share of wealth owned by various quintiles, for which there is however far less data. Figures 4 through 8 compare each quintile. At a cursory glance, it is difficult to determine which country's condition is worse, but both experienced changes and have high levels of inequality, as examined by this measurement. Looking at the income share held by the highest 20 percent (Figure 4), in 1992, Brazil's wealthiest citizens held 57.1 percent of the income, as compared to 57.9 percent in Mexico, but just four years later, it skyrocketed to 63.9 percent, while Mexico remained stable. Indeed, Mexico mostly remained stable, with some minor decreases, eventually having the wealthiest 20 percent, only earning 51.2 percent after 28 years. On the other hand, Brazil decreased its share after the significant increase until it finally fell below the 1992 figure of 54.7 percent. Mexico originally started with having a higher share of the income held by the richest, but Brazil quickly outpaced it and has remained above since.

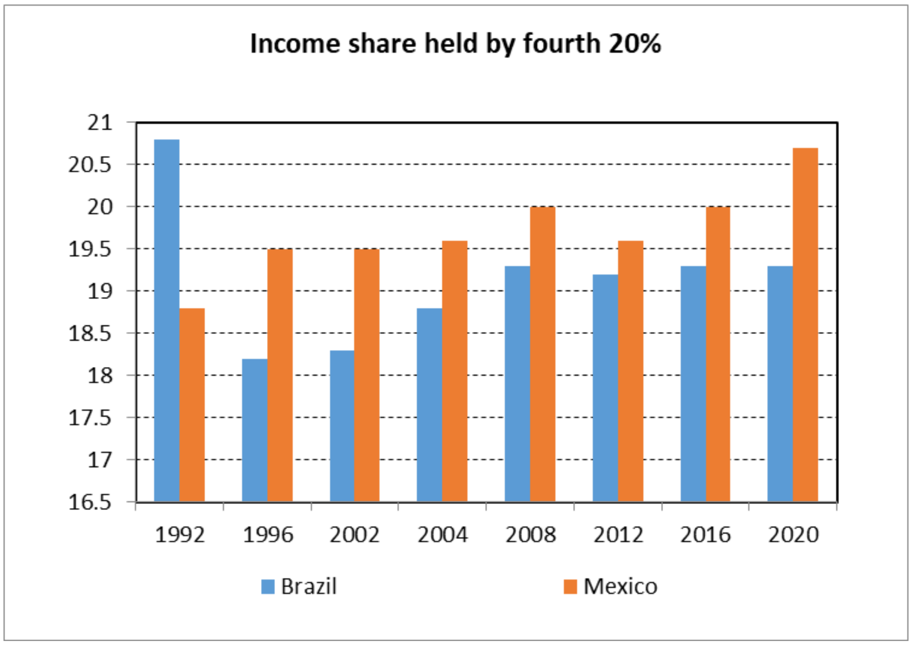
**Figure 4: Income Share Held by the Richest 20 Percent**




Source: Created by author based on World Bank (2024).

The opposite pattern is exhibited when comparing the income share held by the fourth lowest to the second highest, 20 percent (Figure 5). In 1992, Brazil's second highest 20 percent experienced a significant drop off in their income share, from 20.8 percent to 18.2 percent: the 2.8 percent increase in the share of the richest had to come from somewhere, and it appears part of it was because the upper middle class was making less money, relative to the richest. Their share of the income then slowly increased, just as the share of the rich decreased. Mexico again experienced gradual changes, this time increasing the share of the second highest quintile from 18.8 percent to 20.7 percent; more recently, this group was earning a fair share of the country's income as it made up. Additionally, Brazil and Mexico again switched places between 1992 and 1996, except this time, Brazil went from having a far higher income share to having a far lower income share held by fourth quintile.

**Figure 5: Income Share Held by the Second Richest 20 Percent**

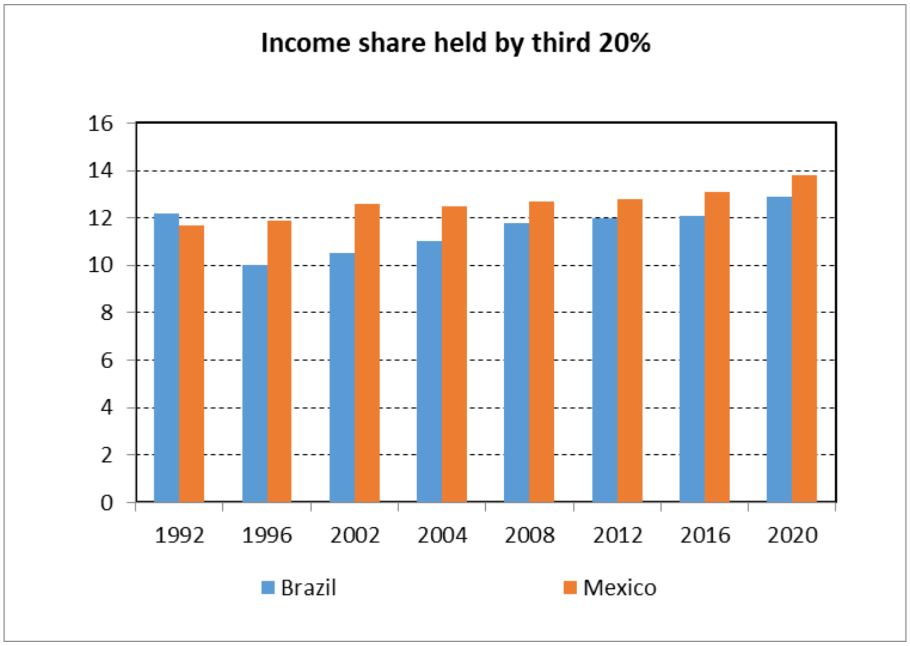



Source: Created by author based on World Bank (2024).

The levels and evolution of the income held by the middle quintile (shown in Figure 6) is very similar to that of the upper middle class: Brazil's middle income quintile experienced a drop in their share of the income in 1996 from 1992 but began to increase and surpass their prior share. Mexico also slightly increased the share; however, neither country's income share of the middle 20 percent is that of income equality: if it were, it would be much closer to 20 percent, but rather, it is 12.9 percent for Brazil and 13.8 percent for Mexico. When comparing Brazil and Mexico in terms of how much share they held, a pattern emerges: Brazil and Mexico again switched, and again, Brazil is further behind Mexico now than it was when it was behind in 1992.

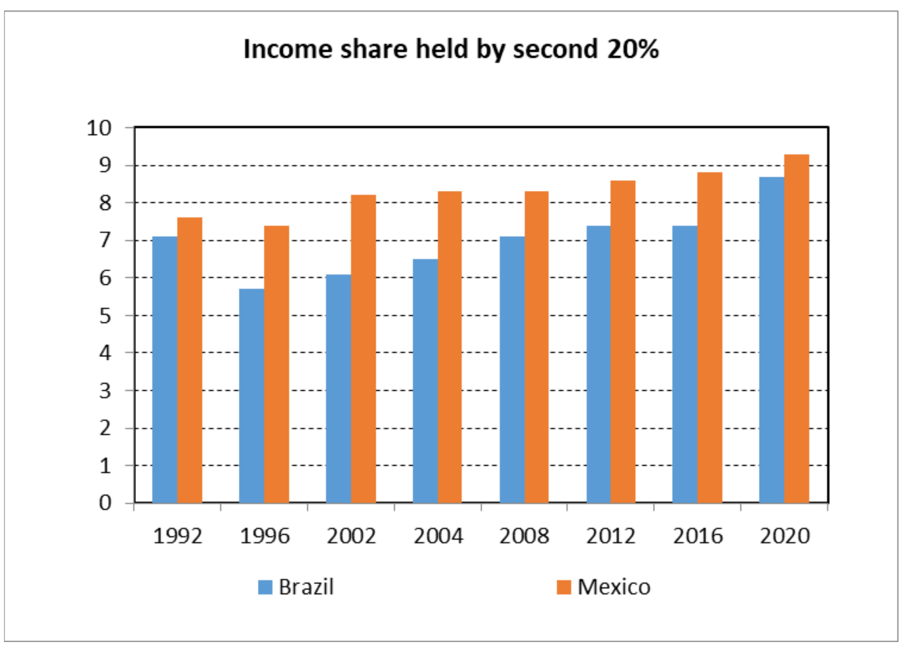
This pattern is similar but slightly different for the lowest and second-lowest quintiles shown in Figures 7 and 8. Brazil's poorest quintiles experienced the same trend as elsewhere, so the difference is in Mexico. Not only is Mexico's income share never lower than Brazil's, as it was in 1992 in some of the other quintiles, but it also experienced a similar decline in income share in 1996. Regarding the second quintile, Mexico's second poorest 20 percent lost 0.2 percent share, from 7.6 percent to 7.4 percent. This might initially be considered an error, but the same is echoed in the poorest quintile of the population, decreasing their income share from 3.9 percent to 3.2 percent. A 0.7 percentage point decrease on its own might be considered marginal, but considering these income shares are, a 0.7 percentage point decline is a massive difference in their income share.

**Figure 6: Income Share Held by the Third Richest 20 Percent**



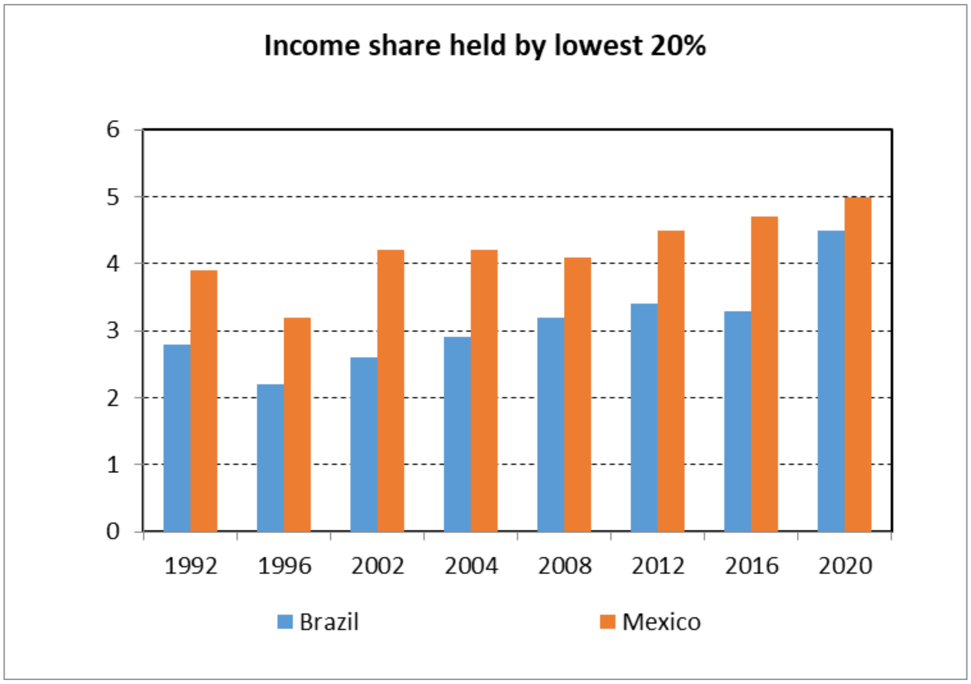

Source: Created by author based on World Bank (2024).

**Figure 7: Income Share Held by the Fourth Richest 20 Percent**




Source: Created by author based on World Bank (2024).

**Figure 8: Income Share Held by the Poorest 20 Percent**



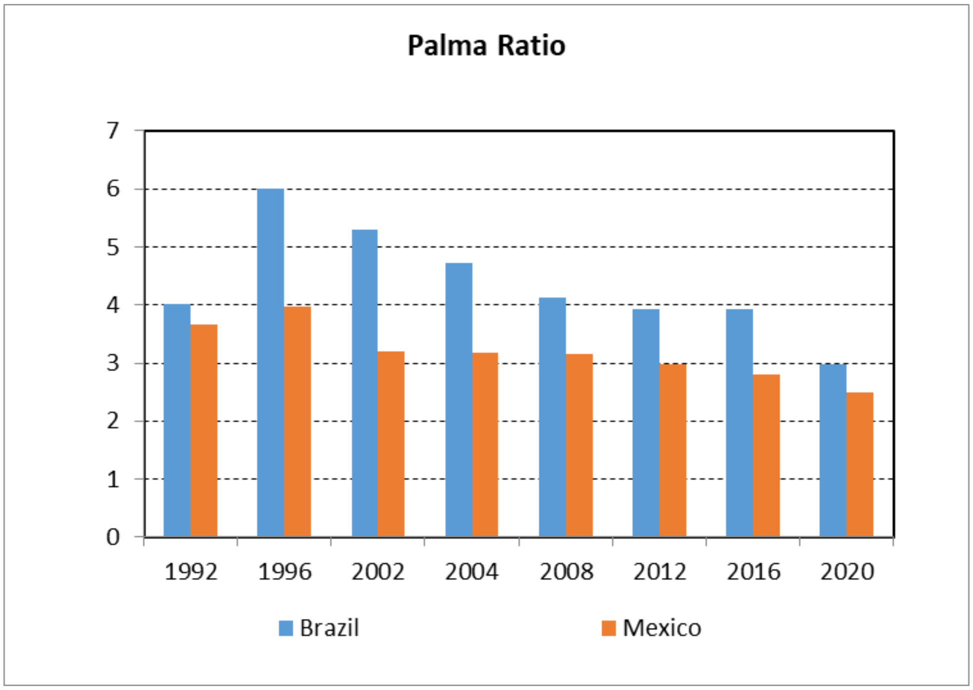

Source: Created by author based on World Bank (2024).

All this information may be difficult to digest and interpret: which country has higher levels of income inequality overall? This is where the Palma ratio and Gini coefficient, shown respectively in Figures 9 and 10, come in. The Palma ratio compares the earnings of the top 10 percent to the earnings of the bottom 40 percent, hence, uses one number to explain the income inequality in a nation. As shown in Figure 9, based on the Palma ratio, Brazil has repeatedly had higher levels of income inequality than Mexico since 1992, but both countries have steadily improved. While Mexico faced a minor increase in the Palma ratio in 1996 (which is consistent with the bottom two quintiles facing a decrease in their proportions of income shares), Brazil faced a much more significant increase. In 1992, Brazil's Palma ratio was about 4.0, but in 1996, it was 6.0. Brazil would not recover to a lower level of inequality than it started in 1992 until 20 years later.

However, the Palma ratio is not the best indicator of income inequality as it is insensitive to some income transfers. According to the Pigou-Dalton principle, a good measure of income inequality should account for income transfers. The Gini index, which ranges from 0 to 1, with 0 representing complete income equality (i.e., everyone earns the same amount), and 1 representing complete inequality (i.e., one person receives all the income), satisfies the Pigou-Dalton principle.

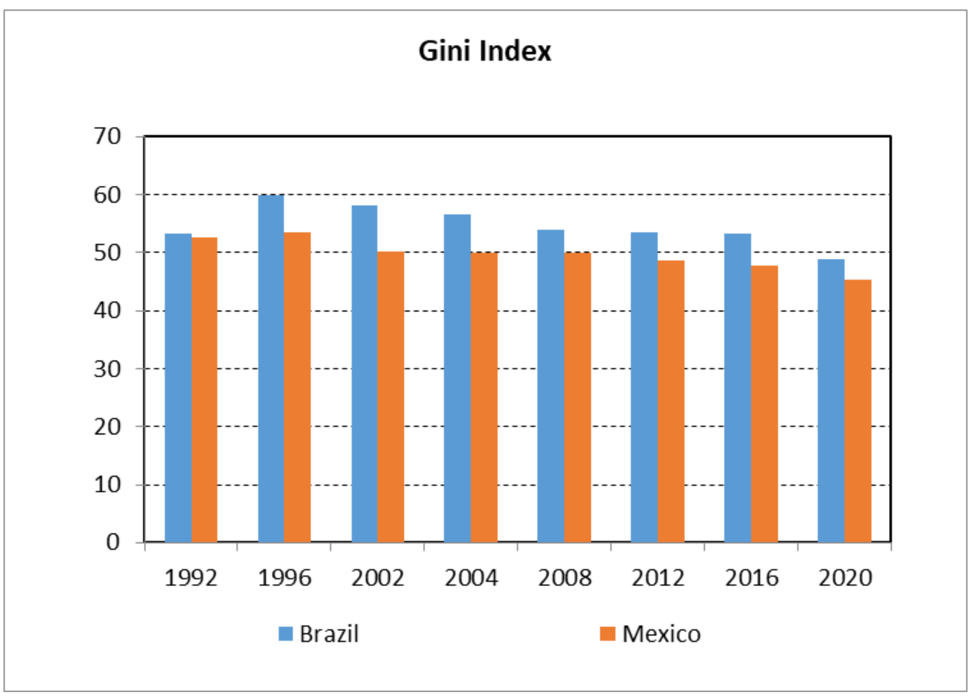
Looking at the Gini index in Figure 10 shows similar but less dramatic changes in inequality than the Palma ratio indicates. Mexico again faced a minor increase in the Gini index in 1996, but Figure 10 then shows generally decreasing income inequality. Brazil's massive rise in the Palma ratio from 4 in 1992 to 6 in 1996, was much less an increase in relative terms using the Gini index, which increased from 53.2 percent to 59.9 percent. Another similarity between the two measures is that Mexico continues to have lower levels of inequality during the entire measured period. Additionally, when examining the Gini index, both countries have (compared to most of the world's other countries) extremely high levels of income inequality.

**Figure 9: Palma Ratio of Brazil and Mexico**




Source: Created by author based on World Bank (2024).

**Figure 10: Gini Index of Brazil and Mexico**




Source: Created by author based on World Bank (2024).

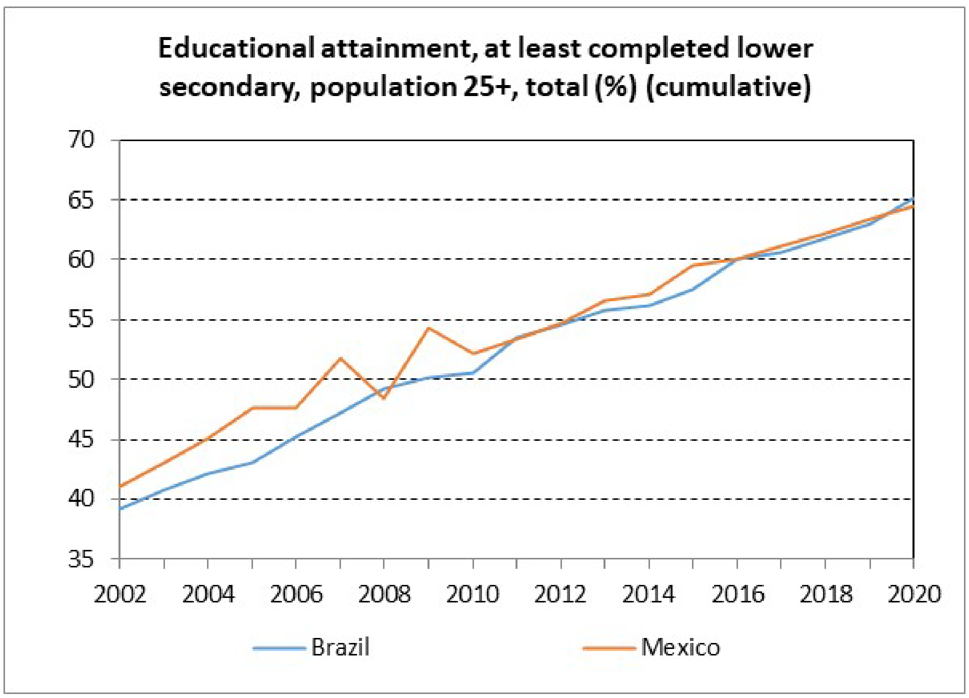
### IV.2. Inequality in Education and Health

Two closely related indicators to income inequality are inequality in education and health outcomes. The rich can afford to send their children to better schools for longer, while the poor often spend more time working or dealing with the consequences of poor sanitation and, thus, missing school.

#### *IV.2.a. Inequality in Education*

Figure 11 shows at the percentage of the at least 25-years-old population that has completed at least lower secondary education in Mexico and Brazil. It shows that the two nations have remained relatively close to one another with regards to this indicator, even though Mexico began with higher rates by about 3 percentage points in 2002. By the time the comparison ends 18 years later in 2020, both nations have increased their overall rates to about 65 percent, though Mexico's progress has been more volatile than Brazil's progress.

**Figure 11: Educational Attainment, at Least Completed Lower Secondary**



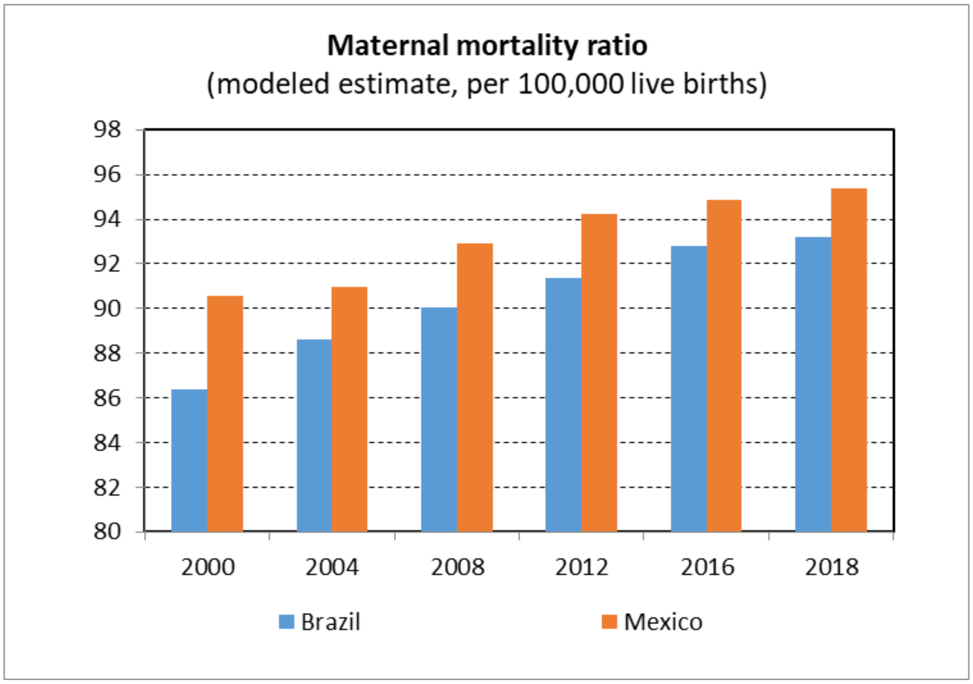

Source: Created by author based on World Bank (2024).

#### *IV.2.b. Inequality in Health*

Similarly, income inequality results in different health outcomes: the wealthy can afford better nutrition, living conditions, and health expenditures. Given that life expectancy has already been discussed above, the two indicators examined here are maternal mortality, expressed per 100,000 live births (Figure 12) and how much the countries spend on healthcare, adjusted for purchasing power parity (Figure 13).

As Figure 12 shows, beginning in 2000, Mexico had far higher maternal mortality than Brazil, by about four women per 100,000 thousand live births. Even though life expectancy improved, maternal mortality got worse since 2000: Mexico went from a maternal mortality rate slightly over 90 in 2000 to more than 95 in 2018, while Brazil's maternal mortality rate increased from about 86 in 2000 to 93 in 2018. Hence, both countries experienced a significant increase in their maternal mortality rates.

**Figure 12: Maternal Mortality Ratio (per 100,000 live births)**

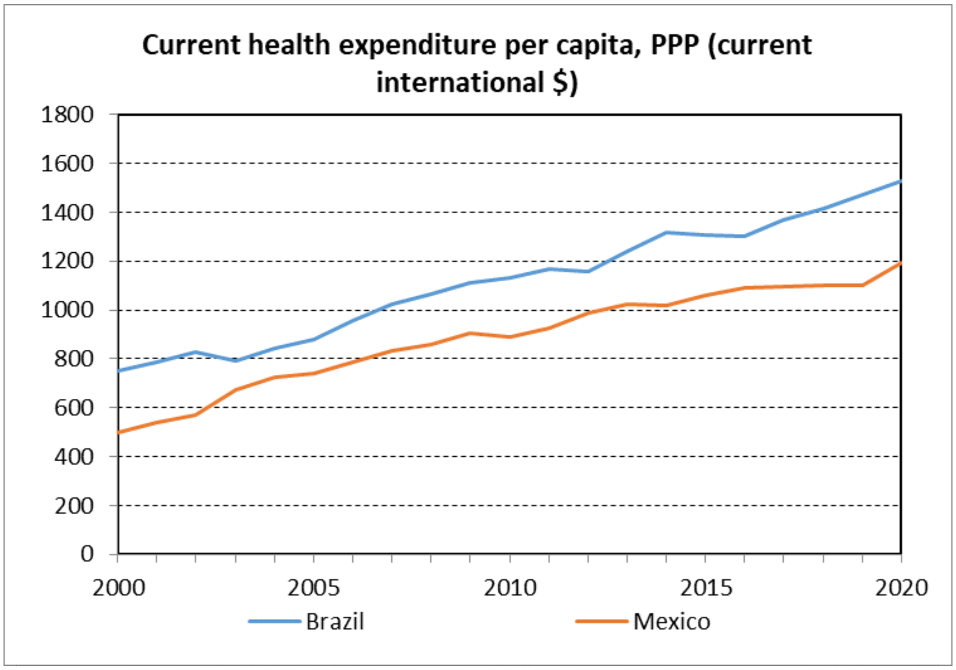



Source: Created by author based on World Bank (2024).

As shown in Figure 13, Brazil has repeatedly spent more on health care than Mexico, even as both countries have increased their spending since 2000, and indeed, Brazil has expanded its lead on expenditure from about $250 to about $400. Despite this spending advantage, another indicator: vaccination rates, Brazil has lagged, and continues to lag, significantly behind Mexico. Despite Mexico spending less money on healthcare through the 2000s than Brazil (see Figure 14), Mexico has had more consistently high immunization rates for diphtheria, pertussis, and tetanus ( DPT), Hepatitis B, and measles than Brazil (see Figure 15).

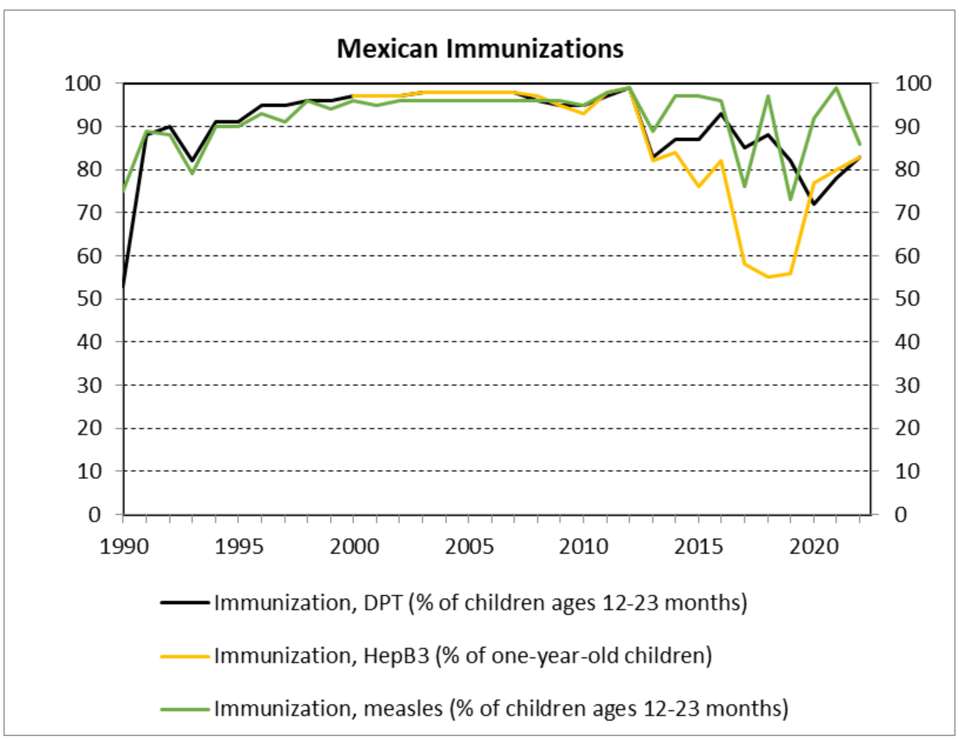
In 1990, Mexico had higher measles vaccinations rates than Brazil, and although Mexico was behind Brazil in terms of vaccinations against DPT, it went above Brazil the following year and has been above 90 percent since 1994 until 2013, at which point it dropped off, but less than Brazil dropped off, beginning in 2016. At the most recent point of data availability, 2022, Mexico leads Brazil in all three vaccination categories despite dropping off more in hepatitis B in the late 2010s. Interestingly, Brazil raised hepatitis B vaccination rates from 4 percent to 84 percent in five years, while Mexico started high when data was available.

**Figure 13: Current Health Expenditure per capita, PPP (current international $)**



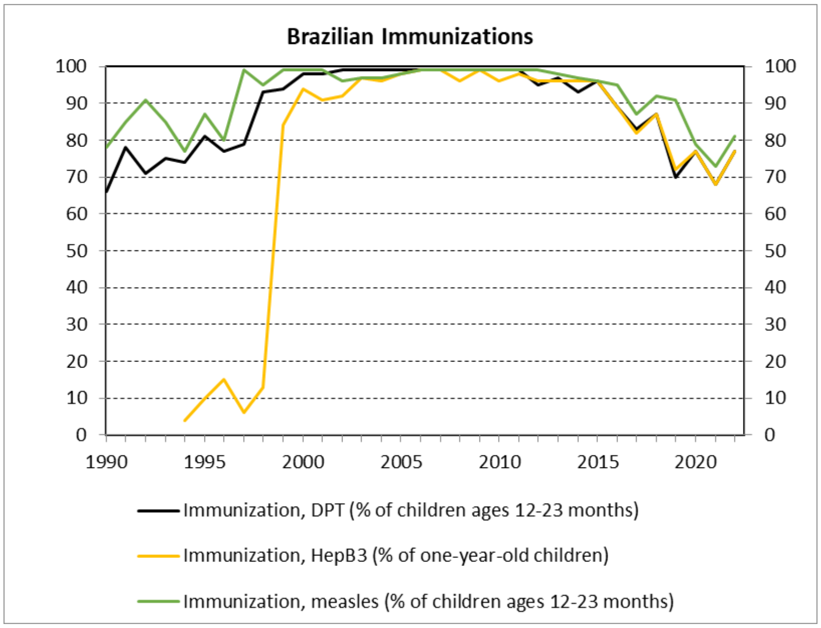

Source: Created by author based on World Bank (2024).

**Figure 14: Immunizations for DPT, Hepatitis B, and Measles in Mexico, 1990–2022**




Source: Created by author based on World Bank (2024).

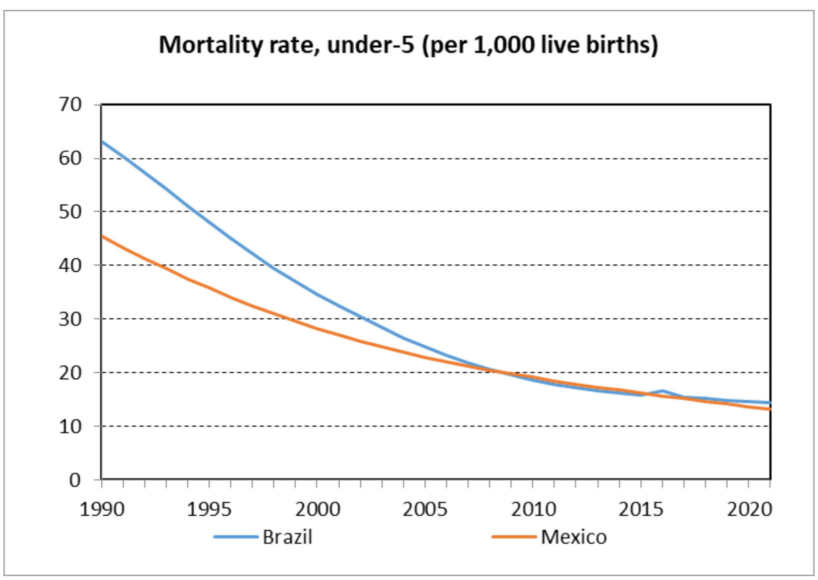
**Figure 15: Immunizations for DPT, Hepatitis B, and Measles in Brazil, 1990–2022**




Source: Created by author based on World Bank (2024).

The last health indicator we examine briefly is the mortality rate of children under 5-years of age, shown in Figure 16. During the last three decades, Brazil and Mexico have dramatically reduced child mortality. In 1990, Brazil had an under 5 mortality rate of 63.2 (per 1,000 live births), which was far higher than Mexico's under 5 mortality rate of 45.4 in the same year, but both countries significantly reduced child mortality. By 2021, Brazil narrowed the gap to Mexico, reaching a child mortality of 14.4 per 1,000 live births, compared to 13.2 per 1,000 live births in Mexico.

**Figure 16: Under 5 Mortality Rate (per 1,000 live births), 1990–2021**




Source: Created by author based on World Bank (2024).

## V. Ethical Analysis

This section is structured into two subsections. The first subsection summarizes the steps taken in Mexico and Brazil to address income inequality, while the second subsection then examines the ethical perspectives and frameworks related to inequality.

### V.1. Steps Taken

Mexico and Brazil are both taking steps to address income inequality, but Brazil is undoubtedly doing much more. Mexico has worked somewhat, but it is not doing enough. According to Hlasny (2021, p. 149), "fiscal instruments of the Mexican state are very weak in correcting the inequality, due to a low redistributive effort—low shares of tax revenue and of social spending to gross domestic product (GDP)—and ineffective targeting of spending across income groups."

The poor are being taxed more than the top 20 percent, who earn more than the rest of the nation combined. Mexico is also failing to properly spend this money to help address the issues the poor face: they instituted some cash transfer programs and pensions, and they have worked somewhat, according to Lambert and Park (2019): two-thirds of the decline in income inequality experienced since 2004 until 2019 can be attributed to these policies, but Mexican income inequality has declined extremely slowly: to the point of near-stagnation. Out of frustration, President Andrés Manuel López Obrador was elected to try and reduce income inequality by instituting new policies like increasing the minimum wage and increasing pensions, but these have been primarily nominal and have not done enough to decrease income inequality, according to Rubio (2020). It should be noted that Mexico is increasing its minimum wage by 20 percent this year, so it may be doing more to address the issue than before.

Brazil has been a different story: they have done much more to address their extremely high levels of income inequality. One of their most successful policies is a conditional cash transfer program: the Bolsa Familia grant reaches 25 percent of the population, and the United Nations University World Institute for Development called it a model for all income transfer programs. Indeed, such programs are beneficial for reducing inequality. As detailed by the Organisation for Economic Co-operation and Development (OECD) (2015, p. 2), "despite accounting for less than 1% of GDP, conditional cash transfers are responsible for 13% of the inequality fall in Brazil." However, this is not to say that Brazil is doing a phenomenally better job than Mexico. For example, according to Oliveira (2024), in 2023, Brazil increased its minimum wage by only 7 percent and lacks a progressive tax policy that would be crucial for reducing income inequality.

### V.2. Ethical Perspectives and Frameworks

In order to assess the ethical implications of income inequality, its upsides and downsides should be assessed and compared. Traditionally, economists have believed that some degree of income inequality was good. These economists posit that a disparity in income rewards hard work and innovation and thus promotes it: if everyone earned the same amount of money, no matter how well or hard they worked, then people would have no incentive to work hard or to invent or innovate.

However, this efficiency argument favoring income inequality cuts both ways: there is also an efficiency argument against too much income inequality. If income inequality reduces societal human capital, as the poorest proportion of people get less education, sanitation, nourishment, and medical help because they cannot afford it, they are able to contribute less to the country and thus reduce the size of domestic markets: if someone is dead, they are not contributing to the economy. In turn, the decreased size of domestic markets results in under-consumption, unemployment, and an overall less efficient economy. However, whatever defines 'too much' income inequality is unclear: at which level of the Gini index does the traditional efficiency argument of inequality turn negative? Hence, the answer for whether income inequality in Brazil and Mexico is good or bad on the net lies not in the ambiguous efficiency argument but in more philosophical arguments.

Philosophers, like economists, have yet to come to a consensus on whether inequality is good. John Locke and other libertarians posit that inequality is not considered bad as long as the wealth is required legitimately. In order to assess if income inequality is bad in Brazil and Mexico under the Libertarian approach, an assessment of how the rich made their money is required. The richest Brazilian, for example, is an investor who co-founded a company that owns an American fast food chain and alcohol manufacturer: the degree to which this is considered legitimately acquired is debatable. On the one hand, individuals buy those products on their own accords, so their wealth could be legitimately acquired, but on the other, fast food and alcohol are unhealthy and lead to adverse health outcomes for people, especially the poor or vulnerable, so they could also be considered profiting off the suffering of others.

Carlos Slim, Mexico's richest person, is primarily involved in telecoms but has made a tremendous sum of money in the tobacco industry, facing the same problem. Assessing every millionaire and billionaire in these two countries to determine if people acquired their wealth legitimately is far outside the scope of this article, but those two examples demonstrate how murky a discussion of how wealth is acquired would be. Mexico, for example, has had many extremely wealthy drug dealers, like Joaquín Guzmán, and also philanthropists like Slim, who give large sums of money to charity to help the disadvantaged, but either way, because not all the wealth in the nation is guaranteed to be acquired legitimately, be it through exploitation, illegal means, or unfair and abusive practices, under the Libertarian model, Brazil and Mexico's income inequality is most likely ethically bad.

Rawls posits another method by which inequality could be ethically justified: so long as the poorest person is better off under this system than they would be with equality. It would be impossible to know precisely what Brazil and Mexico's economic systems would be like if they had complete equality and what the lives of the poorest would be in that system. One could attempt to compare the life of the poorest in either of these countries to a country with supposed total equality, like a communist country, but this comparison would not be a fair one: countries with lower coefficients have very different roles in international politics and trade than Brazil and Mexico, and they also do not have total equality: it just does not exist in the modern world in the status quo.

Additionally, it would be impossible to identify who the handful of poorest citizens in the nation are because of constantly changing financial situations, but some of the poorest citizens in Brazil and Mexico live in awful conditions. In Brazil, for example, impoverished workers built stadiums and worked in grueling conditions to get them made, and eight workers died in accidents during the construction. These eight workers, for example, are likely worse off, working in awful conditions to the point of dying from them, then they could be in a country with extreme inequality, but again, a perfect comparison is impossible.

Jean Jacques Rousseau and Emanuel Kant posit that inequality, in general, is bad. Rousseau, by implicit contention of his social contract model, would argue that because everyone agrees to a social contract with the government for them to be ruled by the state, nobody would agree to this deal knowing that they would be worse off, so the continuation of a model that perpetuates this would violate the contract.

Kant, unlike Rousseau, explicitly calls out inequality, contending that all humans have the right to be treated equally because they are all humans. This raises a question debated in the modern day: What sort of treatment is equal? Some argue that equal treatment means that everyone needs to live in the same conditions and have the same life outcomes, while others contend that people need to be given equivalent opportunities to succeed: if they do not grasp them, it is on them. While Brazil and Mexico are both capitalist systems and anyone could succeed if everything fell in place, there is undoubtedly no equality in opportunity; the rich can afford better education for their children and give them better homes and living conditions so long as poor children do not get the same quality of education and die sooner because of a lack of proper sanitation, nutrition, or water, they will not have equal opportunities to succeed as the rich. As a result, under Rousseau and Kant's model, income inequality in Brazil and Mexico is also bad.

While these four philosophies point to income inequality being bad in Brazil and Mexico, a complete understanding of the ethical perspectives of inequality in the two nations demands an analysis of each ethical perspective, and if they all agree, then income inequality in the two nations could be conclusively determined to be unethical, as opposed to ethical. The Markkula Center lists six ethical approaches: utilitarianism, rights, fairness/justice, common good, virtue, and care ethics. Under utilitarianism, the greatest benefit for the greatest number of people, income inequality is unethical: the vast majority of the population earns less than their fair share of income, and a vast number of people in both countries live in awful conditions, even dying of them; the greatest harm, while a tiny sliver of the population live in relatively good conditions, while the ultra-rich live in lavish mansions.

The rights approach considers something ethical if it protects human rights: because of the squalid conditions the poor live in, income inequality does not protect their rights. It is also unethical under the fairness/justice lens: an ethical action is one that treats all humans equally unless there is a reasonably defensible standard for unequal treatment. The poor, especially their children, are being treated unequally for no fairly defensible reason: only because of their income level. The common good approach determines something to be ethical if it most contributes to the community: recall the analysis of Rawls' approach: income equality could be better for the common good, but one cannot ideally determine what is better for the common good.

The virtue lens considers something's ethical value if it is consistent with ideal virtues that provide for the full development of humanity: there is no love or fidelity in letting the impoverished live in squalor while the rich live it up; rather, it is negative traits like greed and pride. The care ethics approach considers something ethical if it accounts for relationships, concerns, and the feelings of stakeholders. Among the stakeholders in Brazil and Mexico are regular people, the ones who vote in their elections, and because the poor would rather be rich, policies contributing to income inequality do not consider their feelings appropriately. Under all these lenses, with the exception of the unable-to-be-determined common good approach and almost all the philosophies and analyses of income inequality, it is bad, explaining why, in addition to trying to gather support in votes, government entities are working to better conditions for the poor: the inequality is too high and is hurting the country and its poorest, most vulnerable citizens.

## VI. Conclusion

Brazil and Mexico both have extremely high levels of income inequality: the richest 20 percent earn more than the rest of the nation combined, but there are some signs that it is alleviating. Both countries have seen decreases in the indicators of income inequality, but Brazil has closed the gap with Mexico and has declined income inequality significantly more. They have taken some measures, but Brazil has been far more aggressive than Mexico. These steps continue to be taken because income inequality is unethical and destructive for their countries. Several steps could be taken in the future, but they will require Brazil and Mexico to dedicate more resources and make difficult political decisions.

Both nations lack significant progressive tax policies, especially Mexico, which, because of how much consumption is taxed compared to income, the poor are getting more money pulled away from them than the rich: a recipe only for how to keep the rich rich and the poor poor. Additionally, although Brazil's income transfer programs are more successful than Mexico's, there are questions about how effective they are when un-capped pension programs help the wealthy much more than the impoverished.

To decrease income inequality and thus help improve education and health outcomes, Brazil and Mexico should institute a progressive tax policy and use this gained money to fund more conditional cash and asset transfer programs, along with doing away with or amending programs that help the rich more than the poor: like the pension programs, which are nominally valuable for reducing income inequality in Mexico as well, and continuing to implement policies in place that have worked: like increasing the minimum wage, but expanding them and pushing them forward until income inequality in Brazil and Mexico is a relic of the past: eradicated, as it should be.

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