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Introduction

The interest in mapping wealth and how it is concentrated is relatively recent in Brazil, even though Brazilian society remains one of the most unequal in the world, when inequality is measured by taking only labor income and social benefits.

The dominant form of wealth, due to the peculiarity of Brazil's integration in the world economy as an exporter of raw materials, was, since the beginning of the colonial occupation, land. The concentration of land in the hands of large landowners, who not only obtained wealth but political power as well, defined the nation's development, which explains why, well before slavery was abolished in 1888, on the eve of the declaration of the Republic, the 1850 Land Law was promulgated, forbidding access to land except through purchase, and making occupation of vacant land illegal *avant la lettre*. The Land Law regulated agrarian property, introducing a structure for access to and ownership of land. Territory could only be acquired with an up-front payment and registration at a notary. The practical effect of this was to keep the soon-to-be-free population and poor workers from becoming landowners, and to keep Brazilian land in a very few hands.

In the 1880s, at the height of the abolitionist movement, reformists were thwarted in their attempt to create a tax on fallow farms and the founding of peasants' cooperatives to take in freed slaves. This project was driven by the desire to bring about land reform, which would strengthen civil rights hitherto checked by the slaveholding system. But it failed. To keep rural property concentrated, republican leaders and major landholders reached an agreement to open the country up to foreign immigration, bringing in manpower to meet labour demand on farms (D'Alencastro 2018). Even before the transition from the monarchy to the Republic in 1889, the pact between the political and economic elites had already been made, preserving the concentration of a real asset, land, access to which was denied by law to those who lived from work and needed it for their survival.

Assets are stocks of wealth that can be priced allowing the appropriation of future surplus value. There are two classes of assets, real and financial assets. Real assets are generally classified as fixed capital and, in this condition, have an effective use value that is the product of concrete labour (e.g. machinery, equipment, infrastructure, etc.). However, although it is neither the fruit of concrete labour nor reproducible because it is a gift of nature, land has use value because it is, at the same time, a means of production (allowing extraction), an objective condition of the labour process (place, space) and also a ‘consumption fund’, that is, it does not always function as capital but only ensures the social reproduction of life, as Fix and Paulani (2019) clarify, drawing on Marx. In Brazil, land, as consumption fund, was disputed by those who appropriated it as an asset.

All real assets are fixed capital. Fix and Paulani (2019) explain that, in the case of fixed assets, "their utilization engenders for their owner the production of surplus value, which will appear as profit" (p.643). In the case of land, however, "its use engenders, for its owner, the possibility of appropriating a portion of the surplus value produced, which will appear as rent from the land" (p.643). It is precisely this characteristic of land that gives its owner the right to receive income allowing its transformation from a real asset into a financial asset. In the words of Fix and Paulani (2019), land is treated as a financial asset whenever "the way its price is determined prevails over its specificity of being a real asset and having a specific use value" (p.645). That is, whenever land is transacted by virtue of guaranteeing the right to a future income, it transmutes into a financial asset.

The primacy of land ownership as a real asset and source of political power runs through the whole of the 20th century and different phases of the process of industrialization and modernization of Brazilian society. As we see in this article, it enters the new millennium as one of the forms of non-financial wealth which structures class relations in the country. The novelty, however, comes from the fact the Brazilian economy underwent an early and aggressive process of financialization (Chapter 1: Colonial Legacy, Growth Patterns and Power Relations; Lavinas 2017; Lavinas et al. 2019) from the mid-1990s, in which new classes of financial assets multiplied amidst great diversification, especially that which is conventionally called fictitious capital. Through debt (public and private) and asset capitalization, new financial profits derived from the real economy end up in the hands of a few exploiters of social wealth (Durand 2017). And little by little, income of financial origin has gained increasing weight in the formation of wealth.

Thus, in times of financialized capitalism, in parallel with the transformation and the tendency to use land as a financial asset – due to its commercialization occurring because it ensures the right to receive a future income - abundant fortunes have also been made through the expansion of the capital market (ownership of shares or investments with variable income) and the growing offer of a range of financial assets (government bonds, private bonds, commodities), all of which had little conveyance in Brazil until the end of the last century.

The emergence of countless classes of financial assets over the last twenty years as part of the process of financialization of the economy, producing income that contributes to increasing the wealth of their owners, explains the significant growth in the number of millionaires and billionaires in Brazil.

According to the Federal Revenue of Brazil (RFB), in the midst of the coronavirus pandemic, which caused more than 619,000 deaths due to COVID-19 (between 03/2020 and 12/2021) and aggravated the economic crisis leading to a sharp increase in the rates of labor informality and unemployment and the relative stagnation of labor income, the number of millionaires in the country increased by a record 562,000 in just two years. It reached 2.1 million people or 1% of the total population by 2021. Individuals who declared an annual income exceeding 1 million Brazilian Reals (BRL) in 2021 (US$180,000[2]) are considered millionaires by the RFB. Using this same parameter, between 2003 and 2014, during three administrations of the Workers' Party, including a phase of more robust economic growth and generation of employment opportunities and income, resulting in a fall in labour income inequality[3], the number of millionaires grew by a much smaller proportion, increasing by 11.3 thousand people, going from 18.5 thousand to 29.8 thousand millionaires in the period, a total of only 0.1% of Brazilians in 2014. This jump in the number of the super-rich is undoubtedly associated with the mounting share of financial wealth in the possession of the elite.

Crédit Suisse counted 59 Brazilian billionaires with fortunes exceeding US$500 million in 2021[4]. And the Forbes Report indicates that in 2021, despite the multiple crises that

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[2] Ipeadata (www.ipeadata.gov.br), exchange rate on 31/12/2021: BRL5.57 to 1 US$)

[3] Considering wages, earnings and social benefits (contributory or non-contributory)

[4] https://g1.globo.com/economia/noticia/2022/09/21/numero-de-milionarios-no-brasil-cresceu-em-59-mil-em-2021-mostra-relatorio.ghtml

occurred, 42 names were added to the list of billionaires[5] in Brazil. As a result, there were 60 Brazilians billionaires out of a total of 2,755 listed globally by Forbes based on a methodology that favors the ownership of financial assets of publicly traded companies[6]. Whatever the source and combination of figures, the picture is even more shocking and disconcerting when faced with the fact that the Brazilian Institute of Geography and Statistics (IBGE) estimated that in 2022 62.5 million people were living in poverty[7], equivalent to 29.4% of Brazilians (IBGE 2022), such a headcount had never previously been recorded.

It is therefore imperative to understand this transition in the nature of wealth, driven by financialization, and how asset-led wealth is being appropriated. To do so, it would be necessary to be able to estimate the weight of financial incomes in the formation of the stock of individual or household wealth, as some scholars have done. For instance, sociologist Nau, using the American Survey of Consumer Finances finds that "income growth has been highly concentrated at the top [of the income distribution] and that financial income constitutes the largest single component of that growth. [Nau's] findings suggest that the rapid rise of speculative financial assets among the wealthy during the 2000s accounts for this dramatic shift." (2011 p. 2). However, databases that would allow replicating similar exercises in Brazil are not open to consultation, nor are they integrated with each other, allowing for a complete, consistent, and rigorous analysis.

For this reason, this chapter has much more modest aims. It describes the recent evolution of financial and non-financial personal wealth in Brazil. The aim is to indicate how the different forms of wealth - in particular the strong expansion of fictitious capital - redefine the inequalities in Brazilian society. After this introduction, the first section contextualizes the difficulties encountered in accessing data on stocks of wealth in Brazil, indicating the numerous gaps and listing selected available sources. In the absence of surveys on wealth, we describe, in the next section, how pensions and rental income are

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[5] https://economia.uol.com.br/noticias/redacao/2021/08/27/40-novos-bilionarios-brasileiros-forbes.htm

[6] https://web.archive.org/web/20210801062921/https://www.forbes.com/billionaires/

[7] World Bank poverty line of US$5.50 per person per day for middle-income countries.

appropriated by income strata, using research on household budgets. The third section highlights how land, a real asset par excellence, is being transformed into a financial asset, attracting institutional investors and international capital. In the fourth section, we provide an overview of how financial wealth is leveraged amid an accelerated financialization process, engendering, in a peripheral economy, new sources of financial profits through the creation of new asset classes. Finally, we summarize some preliminary ideas on how this transition in the nature of wealth, driven by a financialized accumulation regime, could impact the framework of structural inequalities that have long characterized Brazilian society.

1 Defining wealth and the available sources for understanding it in Brazil

There are many challenges facing those intending to study trends in the personal distribution of wealth in Brazil.

The most common measure of wealth is net worth, determined by taking the total marketable value of all physical (housing and land) and intangible assets owned by households or individuals, minus household or individual debts.

The first obstacle to measuring wealth is that available sources of information are widely dispersed, and most of the time, are not in sync with one another. Moreover, none is entirely comprehensive, requiring the combination of several complementary databases (Chatterjee et al. 2022). Secondly, the multiplication of forms of wealth arising from the process of financialization of capitalist economies[8], where fictitious capital gains relevance with the constant creation of new asset-classes, makes the task even more challenging. Thirdly, assets, be they real estate property or securities, have prices that fluctuate significantly over time, depending on both national and international

[8] To understand the premature process of financialization of the Brazilian economy, refer to Chapter 1: Colonial Legacy, Growth Patterns and Power Relations.

connections, influenced as they are by tax regimes, exchange rates, and other macroeconomic variables. The issue at hand, therefore, is how to measure the value of this wealth. Finally, as outlined by Davies and Shorrocks (2021), only 35 countries in the world conduct national household wealth surveys, a much more reliable source when it comes to examining levels and patterns of inequality that pervade contemporary societies. Brazil is not on that list, which limits the number of trustworthy sources available.

These setbacks largely explain the immense difficulty in assembling data on wealth in order to capture in which circuits it is produced, how it circulates, and in which forms it expands in a relentless manner. Despite the inaccuracies and lack of transparency surrounding these data, research on wealth concentration has made substantial progress as of late (Morgan and Carvalho Junior 2021). This improvement is vital in framing policies to tackle wealth inequality that diverge fundamentally from the repertoire of policy responses aimed at reducing income inequality (Bohoslavsky 2020).

What is included in the definition of wealth may vary (Hills et al., 2015), but the most frequent is to examine wealth data considering specific categories of assets.

Chatterjee et al. (2022) identify 8 categories of assets,[9] drawing on the United Nations System of National Accounts (SNA) guidelines. Davies and Shorrocks (2021) follow the European Commission SNA classification method, but only establish two all-encompassing asset-classes: financial and non-financial (real) assets. In the former, they include both liquid and non-liquid assets, that is the value of pension funds and private retirement savings. Regarding non-financial or real assets, they include producer durables and real estate (land is very likely comprised as well) but rule out human capital and state pensions. Hills et al. (2015) define wealth in three different ways: 1. net financial and physical wealth (comprising items such as consumer durables, current and saving accounts, net of non-mortgage debts); 2. non-pension wealth (adding property net of

[9] Which are: owner-occupied housing; tenant-occupied housing; unincorporated business assets; pensions; life insurance; bonds; equity; currencies (deposits, notes, coins).

mortgage); 3. total wealth (incorporating estimates of the value of people's private pension rights).

Worldwide[10], as well as in Brazil, the level of wealth inequality is exceptionally high. According to the World Inequality Database, the top 10% of Brazilian adults hold 80 per cent of the country's net wealth in 2021. To the best of our knowledge, the most reliable estimates of wealth in Brazil come from the Organization for Economic Co-operation and Development (OECD) Household Financial Assets and the Global Wealth Report, released by Credit Suisse (which draws from OECD data). Both discriminate between financial and non-financial wealth.[11] The Credit Suisse Global Wealth Databook 2022 estimates that, since the turn of the century, Brazil's total wealth soared from US$688 billion in 2000 to US$3.327 trillion in 2021.

Figure 1 indicates that the magnitude of financial and non-financial wealth is relatively equivalent, oscillating between US$10,000 and US$15,000 per adult since 2007. The chart signals, however, that after the 2015-2016 recession in Brazil, financial wealth has surpassed non-financial wealth, and that this trend seems not only here to stay but to be gaining momentum following the coronavirus outbreak. From 2019 onwards, the gap between financial and non-financial wealth has widened. The figure also shows that the total wealth curve has dropped roughly three times in the period under scrutiny, revealing sharp variations in the value of wealth per adult.

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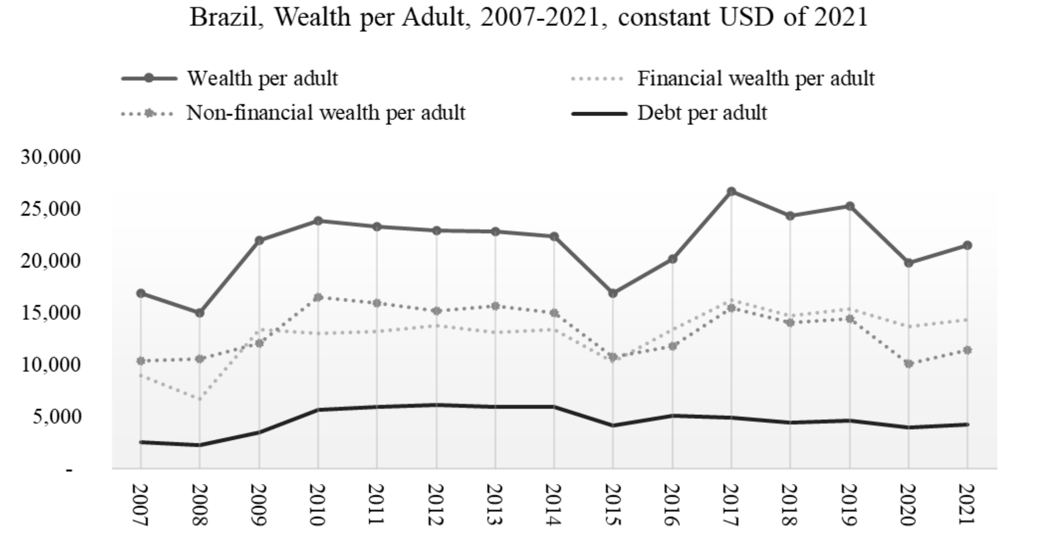
[10] Davies and Shorrocks (2022) estimate a Gini coefficient of 90.4% for global wealth inequality in the year 2000.

[11] The World Inequality Database for the Brazilian economy works with this same distinction for countries such as the United States and the United Kingdom but does not hold data disaggregated in that format for Brazil. Furthermore, the income tax data released by the Brazilian Federal Revenue (RFB) does not discriminate the different asset-classes that make up wealth, but group them all under the same classification of "goods (assets) and rights".

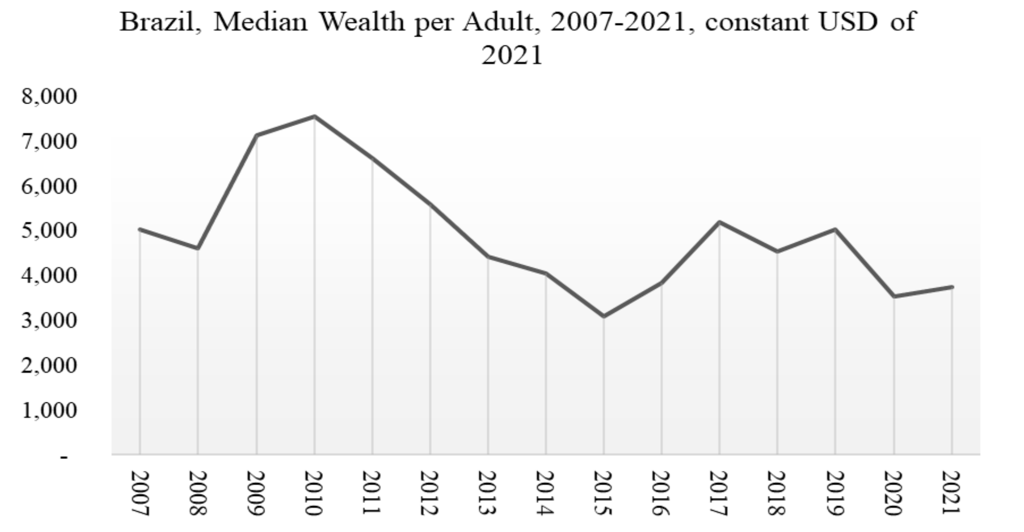
Figure 1



Source: Credit Suisse (2022).

Figure 2 shows even more clearly the wealth burn-off that occurred between 2010 and 2021, with the median value of wealth per adult dropping by 50%, from $7,550 to $3,700. Trying to understand the causes of such erosion of the wealth of Brazilians requires an investigation beyond the scope of this article. As aforementioned, the volatility of the exchange rate and the strong depreciation of the Brazilian Real against the US Dollar over the period may explain in part such an abrupt loss in real value. That said, it is plausible to suppose that the reduction in the median value of wealth masks dynamics of wealth reconfiguration and re-concentration, deepening levels of inequality.

Figure 2



Source: Credit Suisse (2022).

To characterize the recent evolution of financial and non-financial personal wealth in Brazil, we adopted Davies and Shorrocks' classification (2021) adapted to the data available in Brazil.

Non-financial Wealth encompasses producer durables and real estate but rules out human capital and state pensions. In the scope of this article, however, we take another methodological path, considering farmland ownership alone, given that a separate chapter (Chapter 4: Urban Property, Expropriation and Wealth Concentration in Brazil) addresses how real estate dynamics impact the creation and concentration of wealth in Brazil. The recent trajectory of public pensions is also briefly outlined.

Financial Wealth comprises fictitious capital - liquid and non-liquid assets, including private fully funded pension schemes.

From an extensive inventory of available sources, very narrow methodological choices were made which we present below.

a) The following sources for compiling wealth data were used:

i) household budget surveys carried out by the IBGE, the latest dating from 2017-2018 (distribution of a few classes of non-financial wealth according to income brackets);

ii) Personal Income Tax Returns reported by the RFB[12] (data broken down by income brackets on total income; tax credits on private pension contributions; debts and liabilities; inheritance; goods and rights).

iii) information made available by the Central Bank of Brazil (such as on interest payments on public debt securities);

iv) data from the Brazilian Financial and Capital Markets Association (ANBIMA) (such as net worth of investment funds, both aggregated and by asset classes);

v) the Credit Guarantee Fund (FGC), a private, non-profit institution, that protects some types of investments and deposits made in private and public financial institutions (3 important fixed income asset classes are listed in the database: Savings; Agribusiness Credit Bill - LCA; Real Estate Credit Bill – LCI);

vi) Economatica, a global database for exchange-listed companies in Brazil (providing information on firms' net worth, market valuation; dividend payments, etc.);

vii) The National Treasury of Brazil;

viii) annual Forbes World's Billionaires List;

ix) data from different data sets compiling information on farmland ownership and average prices, such as IBGE Agricultural and Livestock Census, Institute for Forestry and Agricultural Management and Certification (Imaflora) Reports, the Federation of Agriculture and Cattle Ranching of the State of Minas Gerais, among others.

[12] The data cover both individual and household income tax statements and no distinction is made between either. Furthermore, the individual tax return statistics released by the Federal Revenue of Brazil does not discriminate the different asset-classes that make up wealth, but group them all under the same classification of "goods (assets) and rights".

b) The period under review focuses on the last two decades, taking 2000 as the base year. Most often, however, the time series start from 2007 to the most recent year, almost always 2020 or 2021.

c) Finally, whenever possible we use US Dollar values, but sometimes, when using Brazilian sources, we keep the information in Brazilian Reais (BRL) to refrain from manipulating different indexing calculations and exchange rates.

2 The distribution of retirement and rental incomes in Brazil, according to the Household Budget Survey (POF)

This section presents a brief description of two dimensions of what can be considered a stock of wealth captured by the Household Budgets Survey (POF). This is a sample survey that investigates the composition of family budgets.

Although wealth is not directly investigated in the POF, information on income and expenditure can be used to shed light on two important manifestations of wealth: receipt of pensions (public and private) and property ownership (home), giving rise to rental income flows. For the objectives of this research, we use only the 2017-2018 POF, the most recent available. Based on the monthly per capita monetary income of the consumption unit, we create six classes along the distribution, aggregating percentiles, ranging from the poorest 25% (group 1) to the richest 5% (group 6).

The POF does not have data on the stock of social security resources held by individuals. It is important to remember that the pay as you go public pension system is still quite relevant in Brazil given its coverage[13]. It is a simple distribution system whose maximum

[13] In January 2022, 29.7 million inactive Brazilians receive a pension from the public system. About 2/3 of these benefits have a value corresponding to the minimum wage in force. Statistical Bulletin of Social Welfare, volume 27/n. 02, February 2022.

benefit reaches BRL7,087.00 or approximately US$1,290 (in December 2022) [14]. Therefore, there is no monetary balance attached to each individual in the public pension system, except for the amount of his or her regular benefit.

However, the POF does contain information on the amounts received in the form of benefits and the amounts paid in the form of contributions, discriminating between public pensions and individual private pensions. The distribution of the mass of benefits and contributions, by percentiles, is shown in Table 1.

Table 1

Distribution of Total Retirement Income and Contributions, by percentile

Income bracket – percentile (% of population)	Share of total public retirement income (PAYG)	Share of total private retirement income (fully-funded accounts)	Share of total public retirement contributions	Share of total private retirement contributions
1 (0-25)	2.5%	0.2%	2.4%	0.2%
2 (25-50)	10.3%	0.9%	9.4%	3.1%
3 (50-75)	23.0%	2.7%	19.7%	3.2%
4 (75-90)	22.5%	7.6%	25.3%	12.8%
5 (90-95)	13.0%	18.6%	14.2%	11.4%
6 (95-100)	28.6%	70.0%	29.0%	69.3%
Total	100.0%	100.0%	100.0%	100.0%

Source: Own elaboration based on IBGE (2017-2018).

Considering the four variables presented, the range that concentrates the highest percentage is the one corresponding to the richest 5%. However, the magnitude of this concentration is quite different if we observe public and private pensions separately. While the concentration of public pension benefits cannot be neglected, with more than 40% of the benefits and contributions going to the top 10% of the distribution (mirroring their previous employment positions), private pension is even more concentrated, with 70% of the benefits in the hands of the richest 5% and almost 90% going to only 10% of

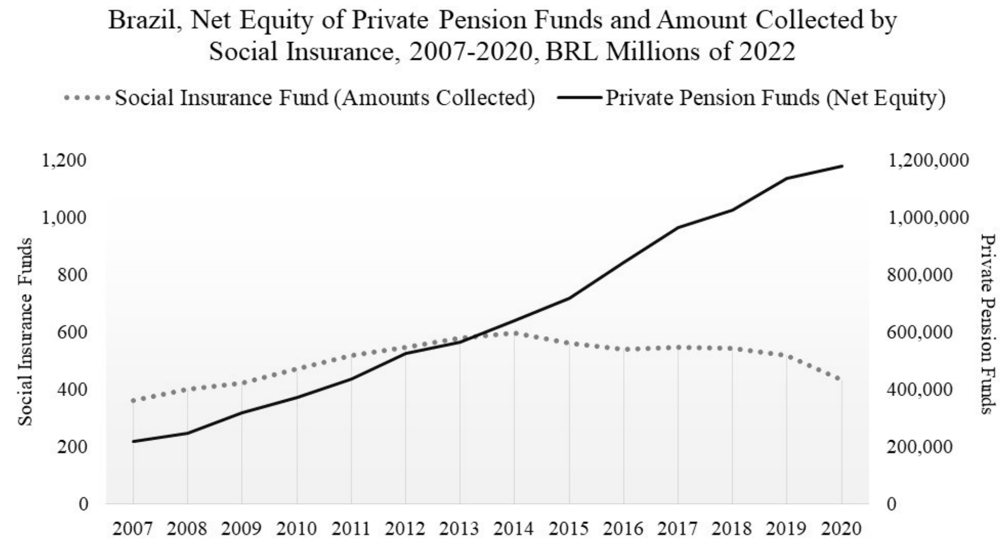
[14] Interministerial Ruling MTP/ME No. 12. The contribution rate is applied only up to this value. In order to increase the value of the contribution and, therefore, of the benefit, it is necessary to resort to the private system.

the economically privileged population. Fully funded pension schemes in Brazil, whether open or closed, reflect the investment options of the middle and upper middles classes in the capital markets, in particular the stock market. Unlike advanced countries, stock ownership in Brazil remains an option for the better-off, but illustrates nevertheless how the asset logics (Adkins et al 2020) has been actively and profoundly reshaping Brazil's uneven socioeconomic profile. In Brazil too, class positions have become asset-based.

Another observation that can be made from Table 1 is that contributions to private pensions are less concentrated than benefits, with the poorest 90% accounting for 20% of contributions but only 12% of benefits. This may be an indication of the greater importance of private pensions for the younger population (who are still contributors). In addition, the institutional framework favors private pensions through income tax exemption and the various pension reforms and tax waivers that reduce the redistributive nature and erode the public pay-as-you-go system's sources of funding (Chapter 2: The Brazilian Tax System). In fact, access to public pensions is hampered by maintaining high levels of informality in the labour market, a characteristic aggravated by the 2017 labour reforms, which institutionalized intermittent contracts and expanded the limits of outsourcing.

Figure 3 shows two opposing trends. While the pension funds of those who are holders of individual capitalization accounts register a constant growth of their net worth, indifferent to the macroeconomic situation, the public fund or social property (Hatzfeld 1971) suffers an inflection from the point of view of its revenues, which decline with the advent of the recession in 2015-2016. Furthermore, this downward trajectory is not reversed in subsequent years. The real valuation of open pension funds goes from less than BRL200 billion in 2007 to over BRL1 trillion in 2020. Therefore, while the richest at the top of the income distribution bet on the capitalization regime, those who depend on the public fund watch its constant devaluation, thus suffering a process of spoliation.

Figure 3



Source: Brazilian Federal Government (2020) and ANBIMA (2022). Real values of mid-2022 adjusted according to the IPCA.

Another important dimension of the concentration of wealth indirectly captured by the POF is rents, derived directly from property ownership. The distribution of the mass of rents, by percentile of income distribution, is shown in Table 2. Like private pensions, rental income is also highly concentrated, with the richest 5% of the population receiving 60% of the total. Extending the range to the richest 10%, they pocketed over 70% of rental incomes in 2017-18.

Table 2

Distribution of Total Rental Income, by percentile

Income bracket - percentile (% of population)	Share of total rental income
1 (0-25)	0.7%
2 (25-50)	2.6%
3 (50-75)	8.2%
4 (75-90)	16.2%
5 (90-95)	11.8%
6 (95-100)	60.4%
Total	100.0%

Source: Own elaboration based on IBGE (2017-2018).

The POF indicates, therefore, that both the obtaining of rental income, deriving from home ownership, and income from private capitalization funds are mostly concentrated (above 70%) in the hands of the richest tenth of the Brazilian population. This means that only a very small portion of the economic elite can appropriate income streams from home ownership or the capitalization of financial assets. Thus, asset ownership is progressively becoming a new dividing line between classes in Brazil, far more decisive than it was twenty years ago.

3 Non-Financial Wealth: farmland - the shift from real asset to fictitious capital

The most traditional form of wealth in Brazil has always been associated with land and real estate ownership, ensuring that such assets escape the most diverse forms of taxation, in particular inheritance tax which in Brazil has been tailored to preserve the concentration of wealth among generations of the well-off (Chapter 2: The Brazilian Tax System). In this section, we outline the recent evolution of farmland ownership.

There has been a marked increase in the concentration of farmland ownership in Brazil during the 21st century, facilitated and boosted by the rising importance of commodities for the country's exports during this period and the transformation of land from a real asset into a financial one.

The share of agricultural products of total Brazilian exports grew from 9% in 2003-2007 to 18% in 2013-2017 and continues to increase. In 2019, agribusiness products[15] accounted for 43% of Brazil total exports[16] (Kato and Furtado Jr. 2021), indicating the magnitude of what is conventionally called the reprimarization of the Brazilian economy. In recent years, agricultural production has played a key role in driving economic growth. Beginning in 2014, the country underwent a period of recession and macroeconomic turmoil. From that point on, the economy became heavily reliant on commodities to

[15] Meaning: Soybeans, meat, corn, cotton, paper and cellulose, the sugar-alcohol sector, coffee and others.

[16] The concept of agricultural production used here encompasses farming and livestock, and agricultural products are used as a synonym for commodity production (which includes also minerals and other raw materials).

sustain growth. Between 2013 and 2017, the agricultural sector's GDP grew on average by 6.7% p.a., against -0.2% p.a. for total GDP (agriculture, manufacturing, and services combined). In the subsequent period, agricultural GDP decelerated but remained crucial in driving the Brazilian economy, with a 2.1% p.a. growth rate in 2018-2021 against a 1.2% p.a. growth in total GDP (IBGE 2022).

The evolution of land concentration patterns is directly linked to the performance of the agricultural sector[17] and the growing relevance of financialization, led by the creation of a wide array of financial instruments enabling new investment opportunities in land and commodities. These instruments, most often drafted by asset management firms (Fairbairn 2014), have been tailored to attract public and private, national and foreign financial investors, favoring diversification and risk reduction in portfolios (Ducastel and Anseeuw 2017). Moreover, the size of the country, a favorable legislation for foreign investment and the fact that there are between 40 and 70 million hectares of land to be occupied[18] further increase the pressure for farmland acquisition in Brazil (Steinweg et al. 2018).

Consequently, in agricultural border regions, for example, where forests have been replaced by commodity monocultures and beef cattle raising, inequality abounds. These are areas where transnational investments in farmland are concentrated. According to Kato and Furtado Jr. (2021), in one frontier region alone, Matopiba, which comprises the states of Maranhão, Tocantins, Piauí and Bahia, foreign investors hold approximately 868 million hectares of arable land. Among the many, the following can be highlighted, Harvard Management Company (HMC), 583.000 ha and Brookfield Asset Management and Brookfield Agriculture Group, 353.000 ha. But foreign companies, from distinct sectors, involved in land deals across the country also include Yamaha Gold, Faber-

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[17] In 2022, Brazilian agribusiness exports reached US$ 160 billion for the first time, as compared to US$ 121 billion in 2021 (Zafalon M. *Folha de S. Paulo*, December 20 2022, page A15).

[18] 30.2% of the territory is occupied by agriculture and livestock activities (https://www.abagrp.org.br/uso-das-terras).

Castell, China Forestry, Belo Sun, JP Morgan Asset Management, Retirement Link, Blackstone, Olam Group Limited[19] to cite a few.

Brazil stands out as the country with the highest inequality in the distribution of land property among the world's leading agribusiness countries (Imaflora 2020), a trend that will not change in the foreseeable future because of the phenomenon of land grabbing.

Grabbing refers to "the expropriation of land, water, forests and other commonly owned resources, and their concentration, privatization and transaction as corporate property or leasing" (White et al. 2012). It is ultimately a process of capturing control of large tracts of land through a transfer of use, control, or ownership rights. This transfer can take place legally or illegally, but it implies, in any case, corporate control of land and resources, whether by foreign companies or domestic capital. "At the local level, alliances are established with local elites and actors with experience in the land market and with political capital and, therefore, with easy access to local authorities" (Kato and Furtado Jr. 2021 p.23). These alliances facilitate land deals to the detriment of peasants, family farmers and poor communities. They also put environmental protection areas at risk.

Land grabbing is, therefore, a phenomenon in which the appropriation of land and natural resources is intertwined with new mechanisms of accumulation (Sauer and Borras Jr. 2016), in which financial capital plays a preponderant role. According to Kato and Furtado Jr., "investment funds are now one of the main drivers of land grabbing in Brazil" (2021 p.20).

The rural census carried out by the IBGE (2017) shows that the number of rural holdings has decreased from 5,17 million hectares in 2006 to 5,07 million in 2017, while the average area of each property increased from 64.5 to 69.2 hectares in the same period. Building on the census data, Imaflora found that a quarter (25%) of all agricultural land in Brazil is occupied by 0.3% of farms. Figure 4 shows that in all rural regions, at least half of the occupied area was in the hands of the 5% of largest farms. Bringing all regions together, the largest 5% of farms occupied more than 60% of the total land area. Equally

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[19] Olam is a transnational food and agribusiness corporation, listed on the Singapore Stock Exchange.

impressive is the fact that half of the establishments in the country (the 50% largest farms) take up at least 90% of the occupied area, and as much as 95% depending on the region (Imaflora 2020).[20]

Another insight into inequality is the Gini index of rural establishments, which measures inequality in farm size. The Gini index of the 2017 agricultural census is the highest since the beginning of the series in 1985, reaching 0.867 (from 0.865 in 2006). The rise in land inequality was common to virtually all regions. The Northeast region, one of the least developed, continues to be the most concentrated in the country, with a score of 0.86 in 2017. Except for the latter, all the country's regions have recorded an increase in the land Gini index between 2006 and 2017 (IBGE 2017). In the Southern region, it went from 0.766 to 0.781; in the Central-West region, the Gini increased from 0.849 to 0.86.

The concentration of agricultural land in Brazil has its origins in the model of occupation of the Brazilian territory since colonial times, the weak enforcement of land occupation and land use regulations, and the systematic prioritization of agricultural policies (mainly for commodity production for global markets) over land reform policies. When it comes to land reform, national governments opted for land acquisition programs and assigning public lands to rural settlements instead of expropriating unproductive properties. Over the past two decades, while land reform programs decelerated, land concentration has been boosted by the possibilities of production for export and speculation – the profit obtained from buying, holding, transforming, and later reselling the land (Reydon et al. 2017).

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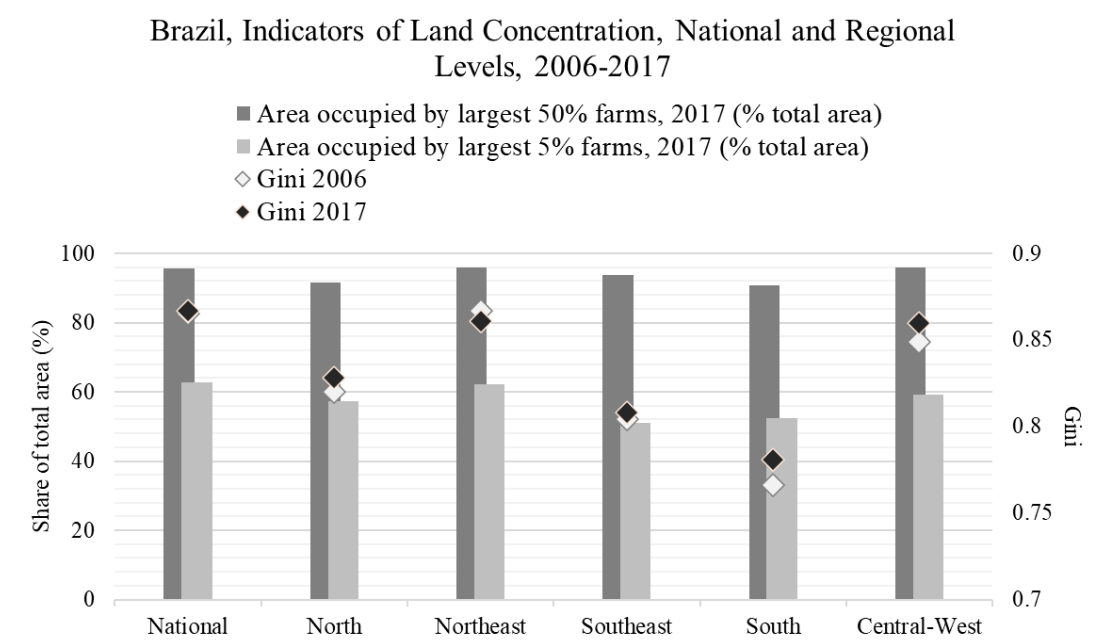
[20] IBGE uses the notion of agricultural establishments (*estabelecimentos*), while IMAFLORA uses the notion of properties (*imóveis*). The agricultural establishment is an agricultural production unit, while the rural property is a property unit. It is possible, for example, to have a rural property with no agricultural establishment. Usually, however, rural property ownership assembles several agricultural establishments, even in different regions of the country, but whose property belongs to the same company or individual. Indicators of farmland concentration in Brazil have risen over the past decade regardless of the methodology chosen.

Figure 4



Source: for Gini, IBGE (2019); for occupied area, IMAFLORA (2020).

But if land speculation has always been present in Brazil, it acquired a new dynamic in the era of financialized capitalism. Actors who were previously strangers to the agricultural sector, such as institutional investors, started looking for “alternative assets” (Kato and Furtado Jr. 2021). Land, natural resources and agricultural infrastructure, turned into new asset-classes, are now in demand.

Since the beginning of the century, the buying and selling of massive amounts of land for profit has been driven by major financial undertakings in rural areas. As put by Mendonça (2022), “the expansion of industrial agriculture in Brazil has been an international affair, linking pension funds, university endowments, and major financial actors across the world”. Land speculation boosts the circulation of financial capital in a context of international economic instability, and the 2008 global crisis seems to have intensified the interest of financial capital in investing in farmland. This is shown by Mendonça and Pitta’s (2022) case studies, which reveal the enormous migration of international financial capital into farmland markets in Brazil over the past fifteen years. According to the authors, the advance of financial capital can be easily observed in the changing profile of Brazilian agribusiness, reshaped by mergers and joint ventures with foreign agricultural corporations and financial groups. This was possible because international agribusiness and financial corporations have formed alliances with rural oligarchies to operate in the Brazilian farmland market (Mendonça 2022), radically changing the nature of the redistributive conflict nationwide and not just in frontier areas.

International investment funds, namely pension funds, started investing large amounts in the purchasing of farms. It is difficult to quantify the amount of money coming in through such funds since they make use of complex strategies, often employing domestic companies as intermediaries or subsidiaries (to comply with Brazilian law limiting foreign ownership of land).

One example is the Teachers Insurance and Annuity Association, College Retirement Equities Fund (TIAA-CREF), the largest retirement program[21] for employees in academic, government, non-profit and research fields in the United States, which created a holding company in Brazil that, in turn, invested in Radar Agricultural Properties, a rural real estate fund with 2,000 farms in its portfolio. Radar was created in 2008 as a joint venture between the largest sugarcane corporation in Brazil, Cosan, and a financial company, Mansilla, which was Radar's main shareholder at that time.

Mansilla, a TIAA investment fund vehicle, provides investment products such as retirement plans, financial, brokerage and trust services, health insurance, and real estate property management, with an emphasis on rural properties. In 2021, Cosan acquired 50% of Radar's social capital from Mansilla, amid a corporate restructuring process, whose main objective was to promote "the development of Brazilian agribusiness and the creation of value for its stakeholders."[22]

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[21] According to Mendonça (2022), "assets under TIAA's management are valued at approximately US$1 trillion. For its speculation in global farmland, TIAA collects capital from other sources in the United States, Europe, and Canada, such as funds AP2 in Sweden, Caisse de Dépôts et Placement du Québec, British Columbia Investment Management Corporation (bcIMC), Stichting Pensionenfonds AEP in the Netherlands, Ärzteversorung WestfalenLippe in Germany, Cummins UK Pension Plan Trustee Ltd., Environment Agency Pension Fund and Greater Manchester Pension Fund in England, and New Mexico State Investment Council in the United States."

[22] https://forbes.com.br/forbes-money/2021/09/cosan-compra-fatia-de-gestora-radar-por-r-15-bilhao/, September 21 2021.

How to define Cosan? Cosan was the first Brazilian agribusiness company to go public in 2005, just at the beginning of a new wave of strong expansion of the stock market in Brazil taking advantage of the commodity boom in the early 2000s. Originally, however, it was a family business, founded by an Italian immigrant named Ometto, who came to Brazil in the late 19th century to work in coffee farming and ended up accumulating wealth. As a family business, ownership and management remained in the hands of relatives. The upward mobility of the Omettos "was facilitated by a rustic still (distiller) combined with centralization of petty capital gathered by Italian families, the relative openness to land occupation within coffee farms and, in the face of their critical reproduction, also by the purchase of land plots from farms that had gone into debt" (Boechat et al. 2022 p.72).

With the coffee crisis at the end of the 1920s, the transition to sugar cane appeared as an alternative, especially encouraged by federal policies aiming to increase commodity exports. Gradually, the business diversification led to the creation of different companies, followed by a greater autonomization of management away from capital ownership and family politics. Cosan's expansion continued and was further reinforced by the end of the commodity boom (2011-12), when sugar prices fell and led to a general downturn in the sector[23], fostering a process of mergers and acquisitions from which Cosan benefited greatly. As put by Boechat et al. (2022), the centralization of capital was also expressed as territorial expansion in this case.

Today, Cosan is one of the companies in the Aguassanta group, which is active not only in agribusiness but also drives large real estate investments (housing construction and residential complexes). Aguassanta holds 35.8% of Cosan's capital share. Beyond producing sugarcane, Cosan is a conglomerate that encompasses five other companies

[23] What also contributed to the restructuring of the sector was the fact that several mills took out cheap loans in US dollars, taking advantage of the appreciation of the Brazilian Real during the commodity boom. With the reversal of this trend and the appreciation of the dollar against the Brazilian currency, starting with the 2008 global economic crisis, many mills went bankrupt, being unable to pay back their debts in US dollars.

present in the sectors of distribution and trading of gas and biofuels, lubricants, and railroad transport logistic services.

One of them is Raízen, a joint venture of Cosan and Shell (2008-2011), showing that processes of concentration and centralization of capital are crucial to speeding up asset valuation strategies. Both Cosan and Shell remain the two largest of Raizen's shareholders (controlling together 87.96% of the shares), the third being Hédera Investimentos, a privately held Brazilian holding company which is part of the Louis Dreyfus Group (a leading global merchant and processor of agricultural goods, whose activities cover the entire agricultural value chain in over 100 countries). Raizen is an integrated energy company, the largest individual global exporter of sugarcane and the biggest Brazilian ethanol maker, besides being one of the four most profitable companies in Brazil. By the end of 2022, Raizen's market value totaled BRL34.4 billion, which corresponded to 62.8% of the market value of all listed companies in the agricultural sector (Economatica, 2022). It now has its own financial services unit, a fintech integrated with Shell Box. To understand how far the diversification of investments of a holding like Cosan goes, it is today the fifth largest shareholder of Vale, the leading Brazilian mining company, whose four largest shareholders are the Brazilian Previ pension fund, with 8.61%, Capital World Investors (6.69%), Blackrock (6.33%) and Mitsui (5.99%).

The example of Cosan-Raízen, briefly described here, shows how closely held companies, with a family ownership structure, owning large extensions of land (real assets) that formed the basis of their affluence, are transformed by going public and through altering the company ownership now based on financial assets.

Another example of a global institutional fund now involved in land grabbing in Brazil is Harvard Management Company (HMC, in charge of managing the assets[24] of Harvard University). In 2016, it acquired 405,000 hectares using Brazilian firms operating in rural real estate markets as subsidiaries. Presently, it holds around 580,000 hectares through four main subsidiaries: Grandflor Group (206,041 ha); Insolo Industry S.A Group

[24] Including pension accounts, endowments, and operating capital. In 2019, HMC held approximately US$ 49.3 billion in assets (Harvard University, 2020).

(143,116 ha); Gordian Bioenergy (168,000 ha); and Teak Resources Company (64,918 ha). These subsidiaries, which have been set up as 'national companies' in order to comply with Brazilian legislation restricting foreigners trading land, provide different services, from agricultural and technical assistance to crop cultivation and processing and also real state and agriculture asset management (GEMAP, 2020, op. cit. Kato and Furtado Jr. 2021 p.39): Given the size of the land concentrated by Harvard in this "land deal outsourcing" process, in clear opposition to Brazilian law, the university ended up transferring "its farmland division to a private equity corporation called Solum Partners, a partner of AIG insurance group" (Mendonça 2022).

Farmland speculation by international financial corporations has been shown to expand idle land and monocropping plantations (Mendonca and Pitta 2022), deepening land concentration and transforming what used to be a non-financial asset into a new class of financial asset. Other consequences of the current state of land concentration and assetization (Birch and Muniesa 2020) include land conflicts, lack of housing in rural areas, deforestation of tropical forests, biodiversity loss, and violence against rural activists, small producers and indigenous communities, among others. It comes as no surprise that Brazil has been the deadliest country for environmental activists during the last decade, with 20% of registered murders worldwide (Global Witness 2022).

Another equally crucial aspect associated with the process of financialization of land and agriculture is the decline in rice and bean plantation areas. Rice and beans are staples for Brazilians, particular for the lower-income and working classes. Over 16 years (2006-2022), the area planted with rice fell almost by half (- 44%) in the country, while that of beans shrank by 32%. In the same period, the soybean area grew by 86%, while corn advanced 66% (IBGE 2022)[25]. Likewise, while the price of soybeans and corn skyrocketed in the global markets, causing the revenues of these two commodities to grow even faster (they more than tripled in both cases) for producers, the real revenues in the

[25] More precisely, the data are: the area with rice crops fell from 3 million ha in 2006 to 1,667 million in 2022, whereas the area with beans contracted from 4,182 million ha to 2,828 million ha. In contrast, the area under corn and soybeans, for export and processed food for livestock, increased in the same period, from 12,8 million ha to 21,4 million ha and from 22 million ha to 41 million ha, respectively.

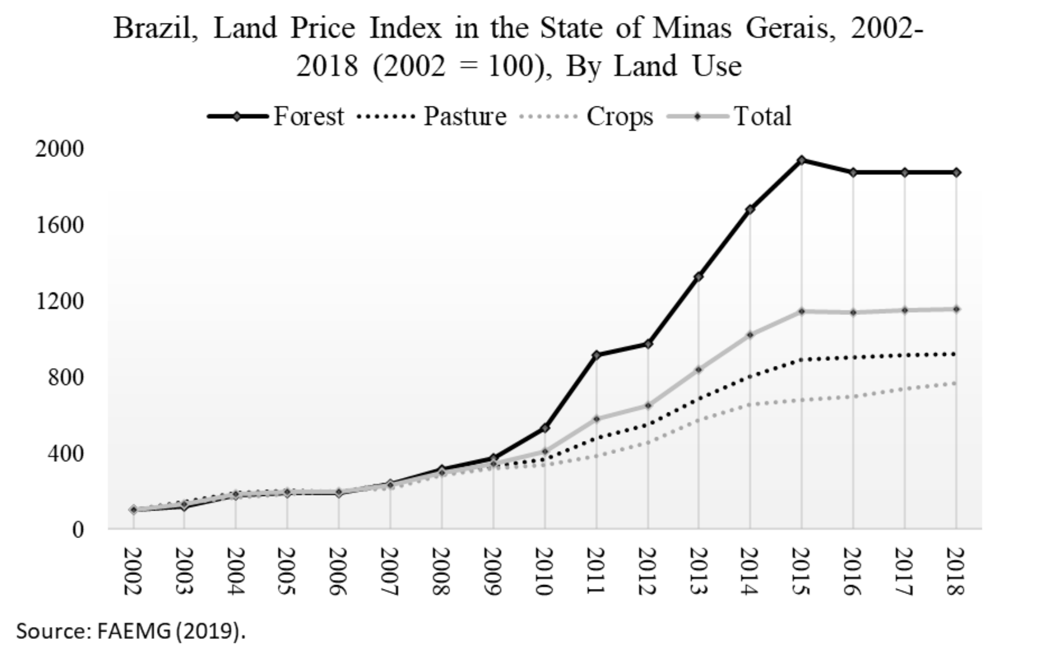
rice segment dropped whereas those of beans remained practically unchanged, despite these crops having registered productivity gains. Rice and beans are mostly produced on small family farms, and have their prices set in the domestic market, therefore in Brazilian Reals rather than in US dollars. This leads to a devaluation of these products that lose space in the dispute for control of farming areas. The consumption of beans and rice has been decreasing in the country, following the contraction in the planted area. At the present time, the production of both foodstuffs is slightly higher than the demand but considering the level of food insecurity in Brazil is growing alarmingly, and that there are 33 million poor Brazilians who suffer from hunger (IBGE 2022), one can affirm that the transformation of land from a real asset into a financial asset directly impacts the degree of food security of the population. This is an indirect but no less dramatic dimension of the increase in wealth inequality in Brazil.

There is little transparency regarding land grabbing deals, making it impossible to accurately identify the names of the individuals profiting from them. As previously stated, this type of investment induces the creation and use of vast chains of subsidiary companies and investment funds to circumvent domestic and international regulations. The money moves through complex and opaque circuits along these intermediation chains, which are virtually impossible to fully reconstruct. This opacity is made even worse since many deals go unreported, for a variety of reasons including lack of regulation determining public disclosure of transactions, officials wanting to keep the deals out of the public eye, corporate strategies, nondisclosure agreements (very common in financial operations), the high volatility of these investments (with investors entering and exiting on a regular basis), and concern about stakeholders' reactions. As a result, information regarding the location and extension of the properties purchased, the amounts invested, and, most crucially, who invested in them, is only partially documented. Existing knowledge on land grabbing deals comes mostly from individual case studies consolidated by independent NGOs and research institutes, who don't have the means to overcome these information restrictions. It is safe to say, therefore, that there is no way to fully know the magnitude of profits generated by financial investments in land and, more importantly, who are the national and foreign elites profiting from these deals.

However, one only needs to look at the outperformance of farmland prices to appreciate how the process of land valuation encapsulates the transformation of farmland from a non-financial asset into a financial asset, because of the development of new corporate strategies for rent seeking.

Figure 5 plots the evolution of the farmland price index in the state of Minas Gerais, of great importance in national agricultural production. The index, besides presenting an overall average, is broken down by land use, considering forest, pasture, and crops. One can observe the spectacular growth of the index over the period 2002-2018, gaining strength during the commodities boom that started in Brazil around 2004. Brazilian commodity exports peaked by 2014, particularly to China, with one of the consequences being mounting pressure on the valuation of farmland and on the expansion of the frontier in areas that included environmental protection zones (notably in the Amazon).

Figure 5



Source: FAEMG (2019).

As Figure 5 shows, between 2002 and 2018, the average index (total) grew more than 10 times, pointing to an escalating process of land speculation. Starting in 2007, however, the dynamics of land price appreciation changed: the price of forest land experienced an extraordinary surge, appreciating nearly 20 times and separating itself from the others.

The price index of cropland and pastureland, on the other hand, appreciated less, but still noticeably, increasing from a 100 in 2002 to 768 and 917, respectively, in 2018. The greed for forest areas, leading to a sharp appreciation in land prices, is explained by the fact these are uncultivated areas, whose market price is lower than that of farming and ranching areas, thus allowing for surplus revenues in the expected future valuation, especially after the forest is cut down.

Looking now at the evolution of land prices in the frontier region of Mapitoba, where Grandflor, a subsidiary of HMC, controls large tracts of land in the Caracol project, one observes, over a similar period (2004-2018), a valuation of cropland by 445% and pastures by 390% (Kato and Furtado Jr. 2021). The 200 families of small farmers who made their living from growing crops for subsistence were the most adversely affected being evicted from their land for lack of land titles and were unable to resist the ‘clearing’ of the area.

To grasp the overpricing in land valuation in both cases, which gained traction amid plummeting commodity prices, it is worth pointing out that between 2002 and 2018 the inflation rate measured by the Extended National Consumer Price Index (IPCA) stood at 150.06%. The inflation of financial assets is a main feature of financialized capitalism, a trend that is mirrored in the process of farmland assetization. It also denotes changes in the structure of land ownership, being transferred from individual capitals (private property) to corporations whose logic of wealth accumulation takes place through the expansion of the shareholder value (or the asset logics).

An essential characteristic of this highly complex process is, as said above, the almost total impossibility of identifying all the actors involved in these practices of land grabbing and financial speculation. However, the financialization of farmland implies the increasing concentration and centralization of land ownership, deepening inequality in land access. The land thus loses its use value and its role as a fund of consumption to become fictitious capital, exacerbating mechanisms of expropriation and dispossession while creating financial wealth for those who will appropriate future rents.

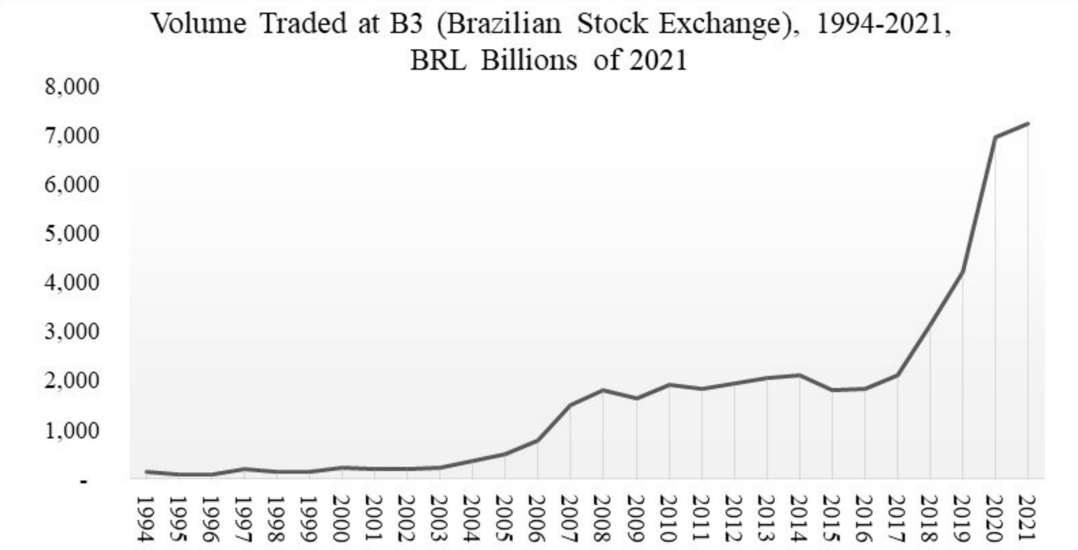
As Rachel Rolnik points out in her book on the colonization of land and housing by finance, "the takeover of the housing sector by finance has been a massive and hegemonic trend (...) leading to the commodification of housing and the increasing use of housing as an asset integrated into a globalized financial market" (2015 p.32). We have shown in this section how farmland has been turned into an asset. That same process has occurred with urban land and housing all over the world, including in the periphery of capitalism, which in the most diverse forms has ceased to have a use value to become an investment, capable of generating more revenue in the future, thanks to the constant appreciation of prices. The fourth chapter on Brazil (Urban Property, Expropriation, and Wealth Concentration in Brazil) scrutinizes in more detail the consequences of the advancement of the financial-real estate circuit to the detriment of popular housing. For this reason, this dimension of non-financial assets is not addressed here.

4 Financial Wealth: the boom of the 2000s

Things changed dramatically after 1994, when the macroeconomic stabilization policy and waves of privatization triggered a process of mass financialization, which has been gaining strength ever since (Araújo et al. 2012; Lavinas 2017; Chapter 1: Colonial Legacy, Growth Patterns and Power Relations). A set of instruments, rules and regulations underpinned this institutional shift and contributed to significantly enlarging the creation of new classes of financial assets and the emergence of a new class of super-rich whose wealth is linked to the spectacular expansion of financial markets. Figures 6, 7 and 8 illustrate this structural shift.

Figure 6 shows the remarkable performance of the Brazilian Stock Exchange from 2003. The total volume of financial assets traded on B3 was a modest BRL186 billion that year. In just four years, that figure passed the trillion Real mark, hitting BRL1.2 trillion in 2007. After a ten-year lull, the stock market became newly attractive, repeatedly trending upward from 2017 on. In 2019, total trades stood at BRL3.6 trillion (Lavinas et al. 2022) and kept on breaking records: BRL6.45 trillion in 2020 and around BRL7 trillion in 2021.

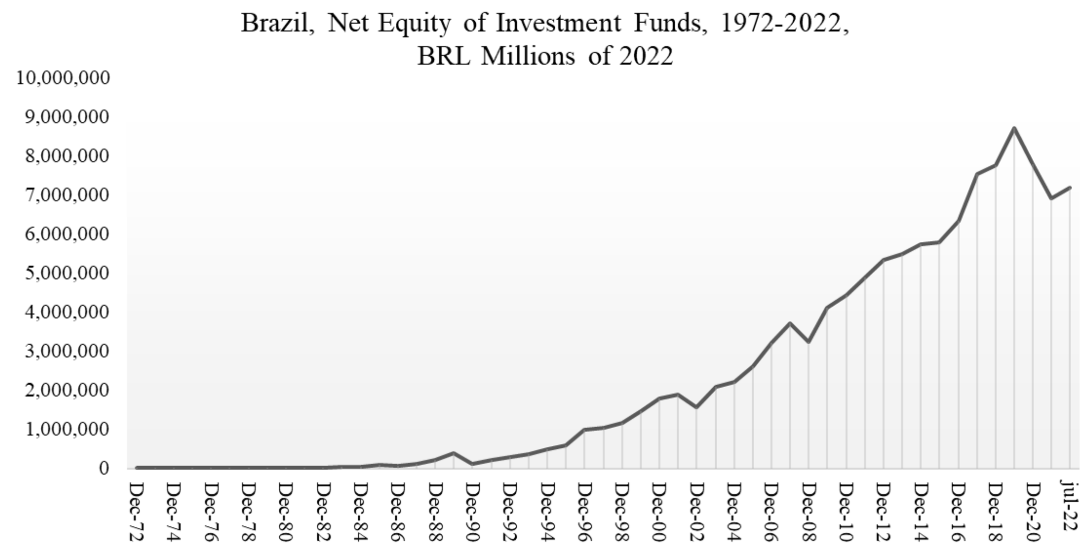
Figure 6



Source: Economatica (2022). Authors' elaboration. Constant values as of December 31 2021 adjusted according to the Extended National Consumer Price Index - IPCA.

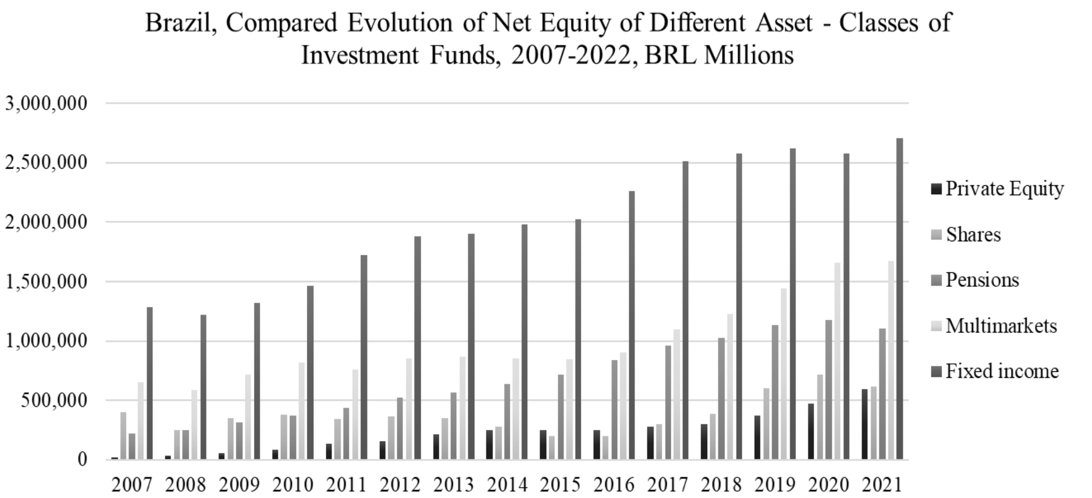
Figure 7 presents the impressive growth of net equity in investment funds in Brazil, starting in the second half of the 1990s. This is another sign of the advent of a set of financial assets at that time that were virtually non-existent before. They amass in mid-2022 around BRL7 trillion. Figure 8 plots the different asset-classes that make up the net equity of these investment funds. The prevalence of investments in fixed income assets, which include Treasury bonds with safe and high returns linked to the Selic prime rate, stands out in the portfolios of these funds.

Figure 7



Source: ANBIMA (2022). Real values of June 2022 adjusted according to the IGP-DI.

Figure 8



Source: ANBIMA (2022). Own elaboration. Data in BRL million of July 2022 adjsuted according to the IPCA. For periods prior to October/15, ANBIMA's Fixed Income Class considers the Fixed Income, DI Benchmark, and Short Term Categories.

This represents a major transfer of national wealth into the hands of banks and financial institutions, institutional funds, pension funds, insurance companies and foreign investors, which held over 85% of the public debt in 2021 (Brazilian National Treasury 2022). This means that the payment of the very high interest rates currently applied in Brazil as a mechanism to control inflation, amounting in 2020 and 2021 to 8.3% of

GDP[26], imposing austerity and public spending cuts, feed financial circuits benefiting bondholders. Figure 8 also indicates that institutional funds have diversified their investments, increasing more rapidly the participation of equities, private equity and multimarket funds in their portfolios, which is synonymous with greater leverage and risk.

4.1 New billionaires mirror changes in capital ownership structure

Changes in the form of production and accumulation of wealth have redefined the profile of economic super-elites and their wealth also in the periphery of capitalism. Tables 3, 4 and 5 present the ranking data from the list of billionaires in Forbes-Brazil Magazine[27] for the years 2007, 2014 and 2021, indicating a volatile hierarchy, dictated by the unstable variation in the valuation of financial assets, as well as by the expansion of the financialized accumulation regime to ever more diverse segments, including in the sphere of social reproduction (health, education, housing, water and sanitation).

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[26] Since the beginning of 2021, the Brazilian Central Bank has raised the Selic basic interest rate from 2.75% to 13.75% (effective December 2022). Also, according to the Central Bank, the IPCA inflation rate for 2022 should not exceed 5.8% (*Boletim Focus*, 12/23/2022).

[27] We draw attention to the limits that the lists provided by Forbes Magazine place on how wealth is produced and concentrated in Brazil. The first difficulty is related to the lack of transparency in terms of data collection. Most of them gather information from publicly traded companies and closed bases, which makes their examination difficult and limits the scope of their reach. There are also several problems in dealing with such small samples: for example, family members are not aggregated in some cases; high probability of changes caused by deaths of specific individuals; partners of the same companies presented separately, due to the ownership of companies being part of large conglomerates; among others. Finally, it is expected that a significant portion of the wealth of the richest individuals is located in tax havens, offshore funds or even in the name of third parties, aiming at tax advantages, which makes the Forbes List inaccurate. The changes observed in the Forbes rankings in the selected years are linked to economic and technological dynamics; for instance, mergers and acquisitions on a global scale, the Internet's advance in the entertainment industry affecting the profitability of traditional companies in the sector and the IPO of firms in the healthcare sector. All these factors make it of limited use in terms of analysing aggregate wealth inequalities in the country. In the scope of this article, the use of the Forbes ranking gives indications of the financial wealth of individuals linked to groups and corporations, which allows us to capture in other databases relevant information for this research.

Comparing the three years selected, some names stand out as being among the top 10. Joseph Safra, first on the 2007 list and second on the 2014 list, was a Lebanese banker of Syrian origin who became a naturalized Brazilian. He founded Banco Safra (1955), a multiple bank operating in 25 countries. Deceased in 2020, he was once considered the richest banker in the world. In the 2021 ranking, his brothers have among the ten largest individual fortunes in the country.

Another businessman is Jorge Paulo Lemann, second richest on the 2007 list, first in 2014 and 2021. His track record is marked by the presence of his companies in various sectors, also operating in several countries. He stands out for being the main shareholder of AB Inbev, the largest beverage and beer conglomerate in the world. He also owns three international fast food mega chains: Burger King, Tim Hortons and Popeyes, as well as Kraft Heinz, the fifth largest transnational food and beverage company in the world. More recently, it has also started to operate in the Brazilian education sector, with Gera Venture Capital and Eleva Educação, respectively a venture investment fund and a management and service provision company for schools. He also participates significantly in the philanthropy sector, especially with the Estudar Foundation and the Lemann Foundation, responsible for offering several scholarships inside and outside the country and training new political leaders to act in the legislative and executive sphere. The growth of his fortune is notable, rising from US$4.9 billion in 2007 to US$16.9 billion in 2021. In this last year, this value is more than three times greater than the financial assets of the tenth person on the list, businesswoman Luiza Helena Trajano, originally from the large national retail sector, who owns US$ 5.3 billion in assets.

Marcel Herrmann Telles, from the food sector, is also on the three lists, appearing in sixth (2007) and third (2014 and 2021) place. He is Jorge Paulo Lemann's partner, with a major role in AB Inbev.

It is worth noting that in the period 2007-2021 the net worth of the last person in the top 10 grew from US$1.9 billion to US$5.3 billion, while the largest fortune went from US$6 billion to US$16.9 billion. This reveals that despite the period being marked by strong economic instability - after a growth phase (2007-2010), comes the slowdown (2011-2014), followed by a severe recession (2015-2016), and finally the COVID health crisis

(2020-2021) - the magnitude of personal wealth in the form of financial assets kept growing exponentially with greater concentration.

Table 3

Forbes 2007 World's Billionaires List

Rank (Brazil)	Name	Net Worth (US$ Billions)	Sector*
1º	Joseph Safra	6	Finance & Investments
2º	Jorge Paulo Lemann	4.9	Food & Beverage / Finance & Investments
3º	Aloysio de Andrade Faria	4	Finance & Investments
4º	Antonio Ermirio de Moraes & family	3.9	Diversified
5º	Moise Safra	2.9	Finance & Investments
6º	Marcel Herrmann Telles	2.2	Food & Beverage
7º	Carlos Alberto Sicupira	2	Food & Beverage
8º	Rubens Ometto Silveira Mello	2	Home Building
9º	Julio Bozano	1.9	Finance & Investments
10º	Abilio dos Santos Diniz	1.9	Food & Beverage

Source: Forbes Magazine (2007). *Information originally not available for that year; data imputed using information from subsequent years' lists.

Table 4

Table 4 - Forbes 2014 World's Billionaires List

Rank (Brazil)	Name	Net Worth (US$ Billions)	Sector
1º	Jorge Paulo Lemann	19.7	Food & Beverage / Finance & Investments/ Education
2º	Joseph Safra	16	Finance & Investments
3º	Marcel Herrmann Telles	10.2	Food & Beverage
4º	João Roberto Marinho	9.1	Media & Entertainment
5º	José Roberto Marinho	9.1	Media & Entertainment
6º	Roberto Irineu Marinho	9.1	Media & Entertainment
7º	Carlos Alberto Sicupira	8.9	Food & Beverage
8º	Francisco Ivens de Sa Diasranco	4.1	Food & Beverage
9º	Eduardo Saverin	4.1	Technology
10º	Walter Faria	3.8	Food & Beverage

Source: Forbes Magazine (2014).

Table 5

Forbes 2021 World's Billionaires List

Rank (Brazil)	Name	Net Worth (US$ Billions)	Sector
1º	Jorge Paulo Lemann & family	16.9	Food & Beverage Finance & Investments/Education
2º	Eduardo Saverin	14.6	Technology
3º	Marcel Herrmann Telles	11.5	Food & Beverage
4º	Jorge Moll Filho & family	11.3	Healthcare
5º	Carlos Alberto Sicupira & family	8.7	Food & Beverage
6º	Safra siblings	7.1	Finance & Investments
7º	Alexandre Behring	7	Finance & Investments
8º	Dulce Pugliese de Godoy Bueno	6	Healthcare
9º	Alceu Elias Feldmann	5.4	Energy
10º	Luiza Helena Trajano	5.3	Fashion & Retail

Source: Forbes Magazine (2021).

Table 6 summarizes the share of the most prosperous large sectors in the Brazilian capital market in each of the three years. It is worth pointing out that in the 2007 ranking, Finance & Investment and Food & Beverage are over-represented. However, in 2017, there is less sectorial concentration, Food & Beverages still maintains its primacy, but with the emergence of billionaires in the areas of Media & Entertainment (members of a single family, the Marinho's own the largest media and communication conglomerate in Brazil and Latin America), and Technology (in this case, an exception because it is Eduardo Saverin, one of the five co-founders of Facebook).

Table 6

Sectors Represented in the Forbes Top 10 List (2007, 2014, 2021)

Sector	2007	2014	2021
Finance & Investments	5	2	3
Food & Beverage	4	5	3
Media & Entertainment	0	3	0
Diversified	1	0	0
Technology	0	1	1
Healthcare	0	0	2
Energy	0	0	1
Home Building	1	0	0
Fashion & Retail	0	0	1
Education	0	1	1

Source: own elaboration based on Forbes Magazine (various years).

In 2021, in COVID's wake, two new billionaires from the private health segment appear, in stark discrepancy with the fact that Brazil has the largest public health system in the world, the Unified Health System (SUS). Neither of them is directly connected to the industrial complex of health, such as the pharmaceutical industry or vaccine production that require innovation and are highly competitive, but offer hospital services, clinics and health plans aimed at a clientele who can pay to obtain differentiated high standard of medical care.

Jorge Moll Filho and his family started building their fortune in the late 1970s as owners of a diagnostic imaging clinic in the city of Rio de Janeiro. They gradually opened other units using loans. Within two decades, they had created the Labs Group, which also expanded through the acquisition of other companies. But the turning point came when Jorge Moll Filho became a partner in a real estate project which led to the transformation of an abandoned hotel into a hospital, the first of the D'Or hospital network. He then abandoned the diagnostic imaging sector, sold Grupo Labs to a competitor and began to invest aggressively in creating a national network of hospitals.

Starting in 2010, he acquired hospital units throughout the country in an initiative piloted by BTG Pactual, a Brazilian publicly traded company and the largest investment bank and wealth and global asset manager in Latin America. Moll and BTG Pactual started to focus their investments exclusively on the creation of an integrated private network of elite hospitals, Rede d'Or, today one of the largest in Brazil. In 2015, BTG Pactual exited and the Sovereign Fund of Singapore, through Pacific Mezz PTE Limited, took its place. In December 2020, Rede D'Or went public on the Stock Exchange (B3), carrying out the largest IPO of Brazilian companies since 2013. Today, it is the largest healthcare company listed on B3, with an estimated net worth of BRL51.7 billion (December 2022). Its majority shareholder is Pacific Mezz PTE Limited, holder of 21.62% of the shares; Jorge Moll and family are the second largest shareholder, with 18.67% of the capital, followed by the multi-market investment fund Delta Fm&BFia (13.14%).

As for Dulce Pugliese Godoy Bueno, she is the richest woman in Brazil. A doctor, she started her family business by opening private maternity clinics in low-income areas of Rio de Janeiro state in the early 1970s. Soon, in a partnership with other doctors, the Godoy Bueno couple founded ESHO (a private company of hospital services) to manage the network of clinics they were acquiring. In 1978, the next step was the creation of portfolio of insured people, to build loyalty among the clients who frequented their clinics and whose number was increasing. They instituted the concept of unlimited consultations and exams, an innovation at the time in the health market. It was this initiative that gave birth to AMIL, a medical assistance and outpatient services company that includes more than 30 thousand providers in countless areas and offers private health plans and has partnerships with large international conglomerates. The accelerated acquisition of clinics and hospitals, the development of an integrated network of laboratories and the consolidation of the company in the area of health plans with national coverage, led AMIL to change its ownership structure by finally going public in 2007.

The next step in the expansion and internationalization process occurred in 2012, when AMIL sold 90% of its capital to the US giant UnitedHealth Group, introducing "a major agent with corporate interests associated with large international investors" (Sestelo 2017 p.202). Edson Godoy Bueno, at the time AMIL's controller, became UnitedHealth's largest individual shareholder in the United States. In 2014, he bought control of the diagnostic medicine company DASA, Brazil's largest laboratory network (Sestelo 2017; Melo 2017). In 2022, DASA is the third largest publicly traded company in the health care segment, with an estimated market value of BRL7 billion (Economatica, 2022).

Dulce Pugliese Godoy Bueno is the third largest shareholder of DASA, but holds only 6.43% of the capital, while two national private equity funds, Genoma I and II[28], are the majority partners and hold respectively 42.9% and 28.86% of the shares, which indicates their weight in the management of the company and the design of its growth strategies.

Table 7 presents all companies in the health care and in the education sector that are currently listed on B3.

Health care companies operate in the provision of medical laboratory examinations and imaging services, outpatient and hospital services, sale of health and dental care plans. In 2006, the shareholders' equity of the listed companies was BRL8.6 billion, rising to an extraordinary BRL155.7 billion by the end of 2022.

Today, 10 publicly traded mega-companies dominate the healthcare sector. Throughout these years (2003-2022), none of them has closed and all of them continue to be active. Meanwhile, the public health system, designed to be universal and free, covering all levels of complexity, has suffered a continuous process of underfunding: between 2012 and 2022, per capita spending on the annual health budget declined from BRL687 (US$127) to BRL630 (US$116), despite the impact of the coronavirus pandemic (Moretti et al. 2022), which required additional resources to address it. Between 2010 and 2020, the country recorded an increase in health spending as a proportion of GDP, from 8% to 9.6%. However, while the share of public spending remained virtually unchanged, representing 3.6% of GDP in the period, private spending rose from 4% to 5.8% of GDP. One of the consequences of this paradoxical situation, in which health stops being a right to become a source of financial profits, is the growth of out-of-pocket expenses for Brazilian families often leading to higher levels of indebtedness and default.

[28] A Private Equity Investment Fund (FIP) is a type of investment fund accessible only to qualified investors. Thus, only individuals or legal entities with more than BRL1 million invested can purchase quotas of a FIP. This type of fund invests in both public and private companies and tends to participate directly in the management of the business, promoting restructuring processes.

Table 7

Brazil, Year Company Goes Public

Health		Education	
Dasa	2004	Dtcom Direct	2004
Odontoprev	2006	Kroton-Cogna ON	2007
Fleury	2009	Yduqs Part	2007
Qualicorp	2011	Kroton-Cogna ON	2012
Alliar	2016	Anima	2013
Ihpardini	2017	Ser Educa	2013
Hapvida	2018	Cruzeiro Edu	2021
Rede D Or	2020		
Espacolaser	2021		
Kora Saude	2021		
Mater Dei	2021		
Oncoclinicas	2021		

Source: Economática (2022).

A similar phenomenon can be observed in the education sector, which was also captured in Brazil by the financialized logic. As in the case of health and agriculture, Table 7 shows that large education companies, almost all operating in the private higher education sector (except for Dtcom Direct), also went public during the 2000s. The market value of the companies listed in Table 2 increased from BRL99.7 million in 2006 to BRL17.231 billion in 2012. With the crisis in federal public funding to private universities (FIES student loans) in 2015, there is a significant devaluation of the sector's equity which falls back to BRL10.227 billion.

In the case of higher education, what promoted this extraordinary increase in record time of asset values was largely the public policy of democratization of access to university, through the renewal of the Student Financing Fund (FIES) by the Ministry of Education. Between 2006 and 2014, the Federal Government decided to expand FIES to rapidly enhance the number of enrolments in higher education, which was hindered by competitive entry in the public system, of better quality, but with few places. It was necessary to overcome this bottleneck.

Private universities, which, at that time, were mostly family-owned and not-for-profit companies, welcomed the government's proposal, directly receiving government funding, and expanding vacancies for low-income students who, in turn, became indebted to the Ministry of Education, through student loans, thanks to the relaxation of the rules for borrowing. In 2010, Kroton, now incorporated into Cogna, one of the largest education groups in the world, had only 10.9% of its undergraduate students funded by FIES, a percentage that quickly exceeded 50% and remained at this level until the collapse of FIES, with the recession of 2015-16. The same occurred with the other universities, most of which were created in the 1970s.

Stimulated by international private equity firms, the trend consisted of promoting mergers and acquisitions[29], increasing concentration and centralization in the sector and thus expanding the number of undergraduate enrolments. At the same time, there was an incentive to go public. As the number of students financed by FIES (that is, by the government, with fiscal resources) increased, the value of the private universities' shares listed on the B3 exploded: "Backed by solid public resources, this transformation [regarding the ownership structure] advanced on a massive scale. In 2014, total federal spending on higher education came to BRL34 billion (US$14.4 billion), while another BRL14 billion (US$6.4 billion) or 41.1 per cent of the former, were passed on to FIES in the form of student loans, flowing directly into the coffers of private institutions" (Lavinas 2017 p.151). Between 2009 and 2017, the valuation of companies in the sector was 10 times higher than the average valuation of the B3. In 2022, Cogna ON's largest shareholder was Alaska Asset Manager, an independent asset manager with a focus on equities. It controls 15.23% of the share capital. In second place comes Blackrock, which holds 9.93% of the shares. Blackrock is the world's largest asset manager with over US$10 trillion under management. Institutional investors hold 81.5% of the company's stocks[30] which means that they have a strong degree of sway over Blackrock, thus

[29] Between 2005 and 2021, 127 mergers and acquisitions occurred in the higher education sector in Brazil adding up to approximately BRL40 billion of investments, bringing together 3.3 million students (Alvim 2022).

[30] https://simplywall.st/stocks/us/diversified-financials/nyse-blk/blackrock/news/with-82-ownership-of-the-shares-blackrock-inc-nyseblk-is-hea

indirectly guide the expansion strategies and provision of goods and services of publicly traded companies, which are increasingly geared to meet the return expectations of shareholders.

Another consequence of this process of financialization of higher education was the formation of large conglomerates that today focus their business model on the provision of distance education: 61% of students entering Brazilian universities opted in 2020[31] for open and distance learning (ODL) courses (Alvim 2022), most often seeking private financing within the education conglomerates, now associated with EdTechs and FinTechs (without going through the government). Interest rates per year can reach 50% (Alvim 2022). Thus, the process of socialization and scientific training of young university students becomes increasingly segmented: those who enter the public and free universities, which are far better positioned in academic quality rankings, benefit from a face-to-face, more solid and comprehensive education. Whilst young people with low incomes, whose option is to get into debt to enter private institutions, will have an education provided on digital platforms, generally without any commitment to quality, and will hardly be able to achieve the financial return expected from this debt-financed "investment" in education.

In addition to private higher education moving towards being dominated by non-face-to-face courses, student debt is soaring fast. That includes students who took out FIES credit and now also new entrants who are taking out private credit in order to study. In 2022, the number of students financed by FIES who defaulted reached 1.2 million, that is 50% of those who used the Federal Government's credit program to attend university. This evidently puts them in a situation of great vulnerability and disadvantage in the labor market. These are new forms of reproduction of social inequalities, derived from transformations in the ownership of wealth.

Moreover, as pointed out in Chapter 2: The Brazilian Tax System, while young people and households go into debt, rentiers, who accumulate ownership of financial assets, are exempt from taxation on profit distribution and dividend payments from financial

[31] Compared to 20% in 2010.

investments, which further aggravates wealth inequality. Table 8 reveals that, in 2020, BRL1.206 trillion in dividends received by individuals were no longer taxed, a volume two and a half times greater than in 2007. Around 35% corresponded to financial gains paid by companies to their shareholders, BRL423 billion, while 10% or BRL121 billion concerned inheritance exemptions. In Brazil, no income tax is levied on assets or rights acquired through donation or inheritance whatever their value, enabling the rich to transfer their wealth almost untouched to their heirs. The reduction in the relative weight of profit items and dividends exempt from taxation between 2007 and 2020 is explained by the increase in the number of assets that escape taxation when filing income tax returns. In other words, as financial wealth grows, the tendency is for it to be exempted, consolidating its concentration and increasing inequalities.

Table 8

Exempt and Non-Taxable Income, BRL Billions of 2021

	Total Exempt and Non-Taxable Income	Profits and dividends received		Donations and inheritances	
		Billions of Reais	*% Total*	*Billions of Reais*	*% Total*
2007	472.7	230.0	49%	51.1	11%
2014	1,110.0	386.1	35%	94.6	9%
2020	1,206.4	422.9	35%	121.4	10%

Source: Brazilian Federal Revenue, 2008, 2015, 2021. Constant values as of December 2021 adjusted according to the Extended Consumer Price Index (IPCA).

4.2 The multiplication of forms of fictitious capital promoting the concentration of wealth

The ownership of shares in companies, as well as of securities gives rise to a type of remuneration that is alien to the real process of capitalist valorization, the process of production itself, the one based on relations of production that enable the production of new value and surplus value. Therefore, as Paulani (2022, in press) points out, "income derived from mere property requires the growing accumulation of assets that enable the creation of (legal) rights to portions of the value produced" (p. 18). In this process of wealth accumulation in which property income predominates over production income, expanding the stocks of assets and liabilities and their movement becomes indispensable and inherent to the consolidation what Adkins et al (2020) dubbed the 'asset economy'. This is precisely the drive which, in this century, has been redefining the profile of wealth and, consequently, that of inequalities.

In Brazil, this dynamic occurred in an accelerated manner with the creation of a broad and diverse set of securities and papers. Thus, in addition to the observed expansion of the capital market, through gains in variable income investments, the so-called "fixed income", which consists of financial assets offered with predefined indexing factors, has also shown itself to be a locus of intense growth in recent decades. Such expansion has been especially beneficial to the higher-income strata of society, who are able to make investments in securities with lower liquidity, higher face value and net return, which, nevertheless, rely on strong public subsidies, originating from the same logic of generating incentives for the proper functioning of the financial market.

The data provided by the Credit Guarantee Fund (FGC), a non-profit civil association created in 1995 with the objective of managing a protection mechanism for account holders, savers and investors, gives an idea of how widespread the capitalization instruments available to investors interested in fixed income have become. The financial instruments covered by FGC are guaranteed up to BRL250 thousand (US$46 thousand) per person or company, which can be recovered in case the financial institution goes bankrupt. There is a ceiling for recovery of guaranteed resources of up to BRL1 million (US$185 thousand), every four years. [32]

There is a significant set of passive deposits that can be guaranteed[33], but, within the scope of this work, we focus exclusively on savings, Agribusiness Credit Bills (LCAs) and Real Estate Credit Bills (LCIs), some of the securities insured. As usual, the Credit Guarantee Fund also breaks down its data by ranges of amounts invested, which allows us to

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[32] https://www.fgc.org.br/informacoes/censo-mensal (accessed on 23/09/2022). Participating companies contribute a percentage of the value of the deposits (0.01% of the total value) that make up the fund. Detailed information is provided publicly on the total stocks guaranteed, even if they are above the reimbursable limit.

[33] Demand deposits; Saving deposits; Time deposits; Bills of exchange (LC); Mortgage bills (LH); Agribusiness Credit Bill (LCA); Real Estate Credit Bill (LCI))

speculate on the size and distribution of a portion of Brazil's wealth. It uses five ranges of values, presented here in three different years (2009, 2013 and 2019). Table 9 highlights the value in Brazilian Reals converted into US Dollars for each reference year[34].

Table 9

Investment Ranges Converted to US$ (2007, 2013 and 2019)

	2007 US$	2013 US$	2019 US$
BRL 5,000.00	2,566.87	2,314.60	1,267.17
BRL 50,000.00	25,668.67	23,146.00	12,671.70
BRL 100,000.00	51,337.34	46,292.01	25,343.40
BRL 250,000.00	128,343.34	115,730.02	63,358.51
BRL 1,000,000.00	513,373.38	462,920.10	253,434.03

Source: Fundo Garantidor de Crédito 2022.

Figure 9 presents data on the evolution, by magnitude of investments per client, of three important fixed income asset classes, among the most used in Brazil: Savings, LCAs and LCIs.

The first, savings, is the form used by most Brazilian families to keep their financial reserves partially protected from inflation. Being redeemable at any time, it serves as a way to accumulate some financial wealth for lower income individuals, even though it presents low returns, usually lower than general price variation, it is exempt from any kind of taxation.

The second asset, LCA, is a fixed income investment linked to loan portfolios for the agricultural sector. Created by the Federal Government in 2004 (Law No. 11.033), together with other agribusiness securities, it was a form of incentive to expand private credit for farming activities. Its objective was to reduce the participation of the public sector in the supply of rural credit, seeking greater integration of agribusiness with the financial and capital markets, allowing a flow of capital from urban investors to

[34] Average of the annual values of the purchase and sale prices.

agricultural activity (Castro 2020; Schedenffeldt et al. 2021). Its return is exempt from Income Tax and other taxes, besides also having the same guarantee existing in the savings account. As a bank-issued credit security, it is backed by several agribusiness receivables and is directly managed by financial institutions.

Caffagni's (2021) analysis of the LCA's stock variation since 2010 points to a significant growth until 2015, followed by a relative stabilization until 2021. In August 2021, this asset represented 7.0% of total bank-issued securities (Caffagni 2021) and in 2019 it was the main private investment security in the agribusiness sector (Schedenffeldt et al. 2021). The recent stagnation seems to be the result of the preference on the part of large investors to buy the bonds of large farmers directly, without large intermediaries. This greater autonomy avoids paying a portion of the gains (spread) to banks. In 2020, LCAs accounted for 2.8% of the total financial volume traded, a percentage higher than government bonds, at 2.0% (ANBIMA, 2021). In addition, in 2020, the regulation of other incentives for investments in the sector also allowed for greater diversification, with the emergence of securities of another nature, but not covered by the FGC and without tax benefits (Castro 2020; Caffagni 2021).

Finally, the third asset highlighted, the LCI, is a fundraising security for the concession of credit aimed at the real estate sector, based on the nominal value, interest and monetary restatement stipulated therein (Jardim and Lorrany 2018). Also formulated in 2004 (Law No. 10,931), it is also not subject to taxation and has the same guarantee as the two other assets. Its emergence is linked to the perceived of the need to expand the supply of housing credit. Together with other instruments created after 1997, it seeks to introduce a housing financing market similar to the North American model, albeit on a smaller scale, generating a secondary mortgage market. Its main function is to make housing credit an investment endowed with greater security and liquidity, also involving an attempt to reduce the state participation in housing finance (Royer, 2009; see Chapter 4: Urban Property, Expropriation and Wealth Concentration in Brazil within this project).

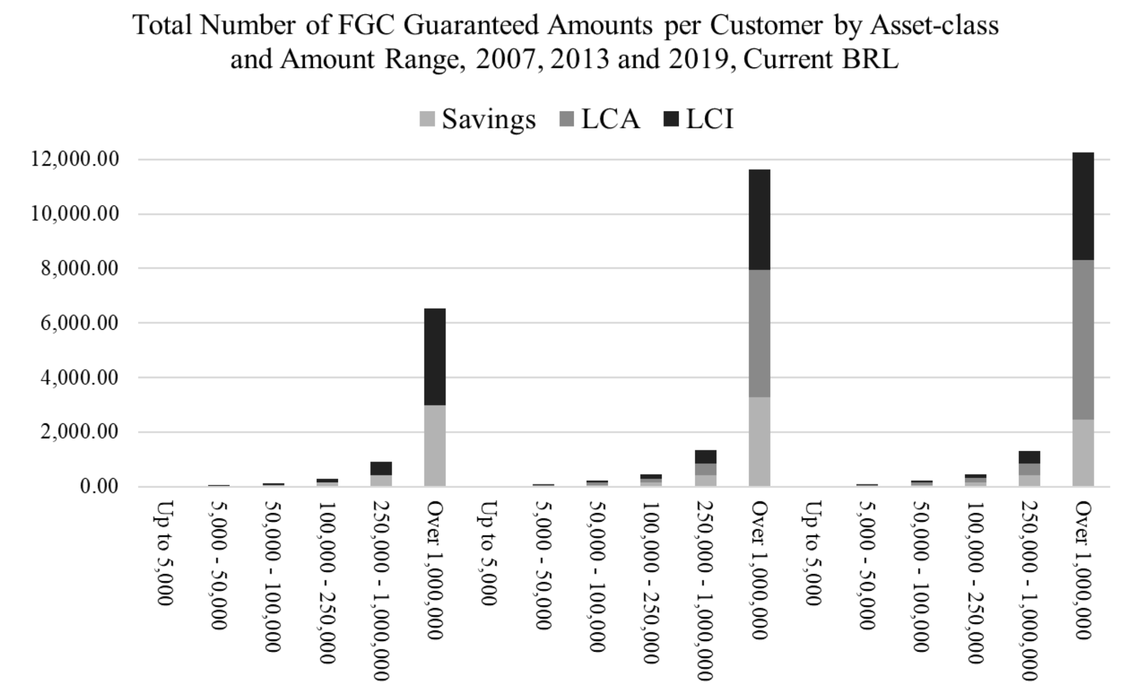
The LCI was not as successful as its creators had imagined, largely due to the macroeconomic environment, which produced government bonds that were more profitable and safer than any type of investment in the real estate sector (Royer, 2009). However, in recent years, with the fall in interest rates and maturity of the instrument, it has become one of the main credit securities issued by commercial banks and other financial institutions (Jardim and Lorrany 2018), representing 3.7% of the total financial volume transacted in 2020 (ANBIMA 2021).

In terms of liquidity, savings with a more popular profile allow withdrawals to be made in any time frame, while LCAs and LCIs require capital to be immobilized for longer periods, depending on the type of security offered, which makes them less accessible to most of the population. Nevertheless, their yields are highly profitable, often standing above variable income gains and well above inflation. Meanwhile, the annual yield of savings in December 2022 was 7.89% p. a., or 5.84% below the remuneration guaranteed by the Selic for holders of Treasury bonds (13.75%).

Figure 9 traces the evolution of these fixed-income securities, encouraged by the government and with total tax exemption. Their growth is particularly strong in the second decade of the 2000s, essentially attracting wealthy investors, with resources to purchase these assets, especially in the range of values above BRL1 million (US$185 thousand), confirming their low accessibility (in a country where the average work income at the end of 2022 was close to BRL2,800.00 or US$510). These are highly profitable financial assets and, for this very reason, they meet the demand of the holders of financial capital.

Thus, as pointed out in Chapter 2: The Brazilian Tax System, it is the state, through legislation, incentives and a regressive tax system that ends up benefiting the very high income classes, using tax expenditure to expand and consolidate, recurrently, inequalities of wealth, whose gap only grows in times of financialized capitalism.

Figure 9



Source: Fundo Garantidor de Crédito (FGC). Own elaboration.

5 Financial income, the new substratum of wealth inequality in Brazil

This chapter has sought to draw attention to the rise of new circuits of wealth creation in Brazil, derived from changes in the ownership structure of capital along with widespread processes of assetization (Langley 2021) that certainly have contributed to an explosion of inequalities in Brazil in the last two decades, even though it is still virtually impossible to accurately estimate how appalling this picture is.

This new dynamic in the reproduction of inequalities driven by asset prices and asset concentration was voiced by Piketty's 2013 landmark book, *Le Capital au XXIe siècle*. Since then, numerous authors of heterodox lineage who investigate the structural transformations brought about by financialization have emphasized the growing divide between the super-rich (whose income comes increasingly from the valuation of asset holdings) and those who make a living from work and are subject to wage stagnation and depreciation. To offset such a devastating trend, the latter either take on debt or embrace the neoliberal mindset of turning themselves into investors, hoping to make money from asset ownership.

The periphery of capitalism is no stranger to these trends. Both have unfolded in Brazil as of late.

On the one hand, household debt as a share of disposable income has tripled, soaring from 20.1% in 2005 to over 60% in 2022, unconcerned by the macroeconomic context and the fact that real interest rates are extremely high in Brazil, particularly for low-income borrowers, lacking collateral (Banco Central 2022a). Since 2015, the stock of household credit broken down by mortgage and non-mortgage has maintained the same path, with one third oriented towards the purchase of residential property, and two thirds taking out variegated modalities of consumer credit. At the end of 2022, the percentage of Brazilian households holding financial debts reached the highest historical mark since this survey began: 78.9% were in debt and 30.3% were delinquent. Therefore, Brazilians mostly go into debt to finance their current expenses and not to build up assets, which means that they are excluded from coming to enjoy an asset-driven lifetime.

Paradoxically, since 2017, understanding the structural shifts in the Brazilian economy, with the chances of upward social mobility proving to be circumscribed to the circuits of finance capital, low-income retail investors have rushed to the stock market in hopes of short-term equity gains. The shareholder value model has spread with alacrity. According to the Brazilian Stock Exchange, by the end of 2020, these newcomers' average initial investment was BRL 660 (around US$124) (Lavinas et al 2022). More than 80% had an average monthly income below 1,100 US$.

Back in the XIXe century, land ownership was regulated against the people. Today's tax exemptions and other fiscal incentives that favour asset-holders have just extended privileges that continue to concentrate wealth from property rights in Brazil. In this chapter, we have shown how new asset classes, designed specifically for big investors, expand credit markets and originate secure financial income flows through interest-income. The State obviously plays a pivotal role in this process by formatting legal provisions in line with the interests of financial markets.

It seems unquestionable that also in Brazil the many processes of assetization underway are transforming the patterns and levels of inequality as we used to frame them. This structural shift poses the challenge to reconceptualize inequality and address asset-led inequality if we were truly committed to advancing a democratic and egalitarian society.

This should be the ultimate topic on a radical research agenda on inequalities.

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