

The impacts of COVID-19 in Brazil in a complex regional context Why a sustainable economic recovery is urgent



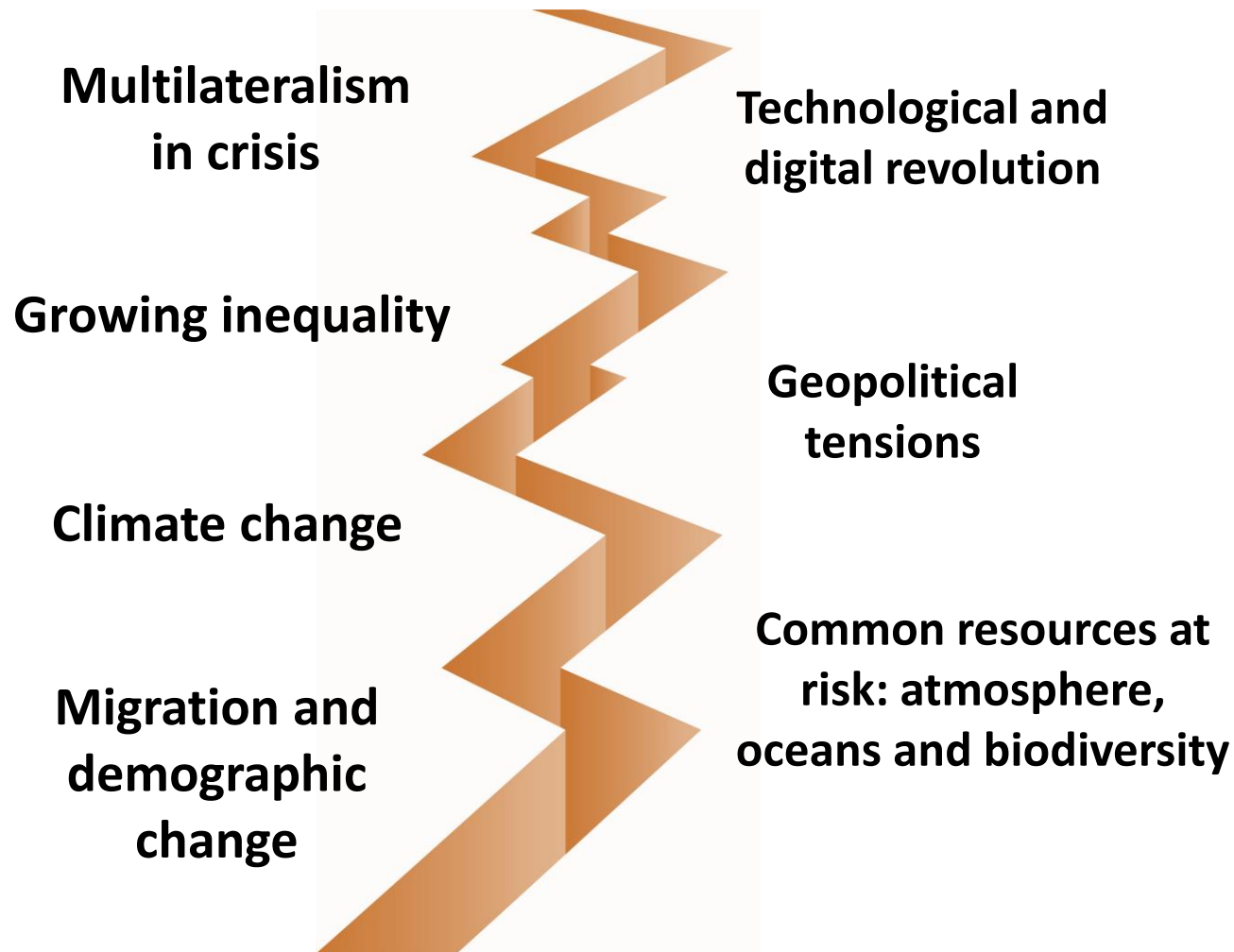
NACIONES UNIDAS
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Executive Secretary of ECLAC

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Health and climate crises are part of an unsustainable development model



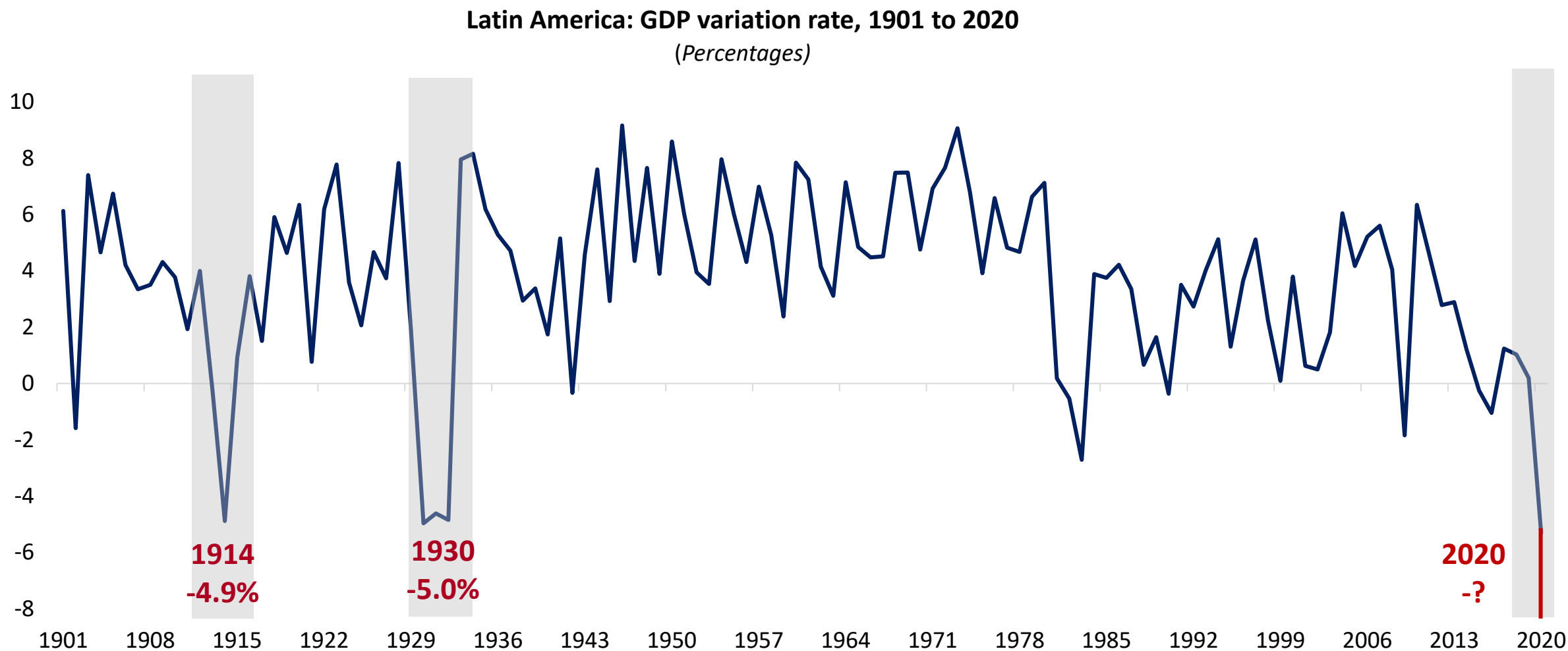
A model...

- ... associated with a **declining growth and trade**
- ... with **high inequality** and predominance of elites (culture of privilege)
- ... based on **negative externalities related to** climate change
- ... exceeding **key global environmental thresholds**
- ... with **systemic vulnerabilities** evidenced by COVID-19

The COVID-19 crisis foreshadows the impact of the climate change emergency

- **Both are global public bads:**
 - They arise from the abuse of nature
 - Inaction will have irreversible costs
 - They show the strategic value of public goods
 - They require collective, simultaneous action and international cooperation
- **The State has an essential role to play.**
- **Decisions must be based on science backed by multilateral scientific organizations.**
- **Whereas in the COVID-19 crisis there is a trade-off with economic activity, the response to the climate crisis has synergies with economic activity.**
- **Very different responses:**
 - **The COVID-19 crisis is marked by a sense of urgency and political will.**
 - **By contrast, sense of urgency and political will are still lacking with regard to the climate crisis.**

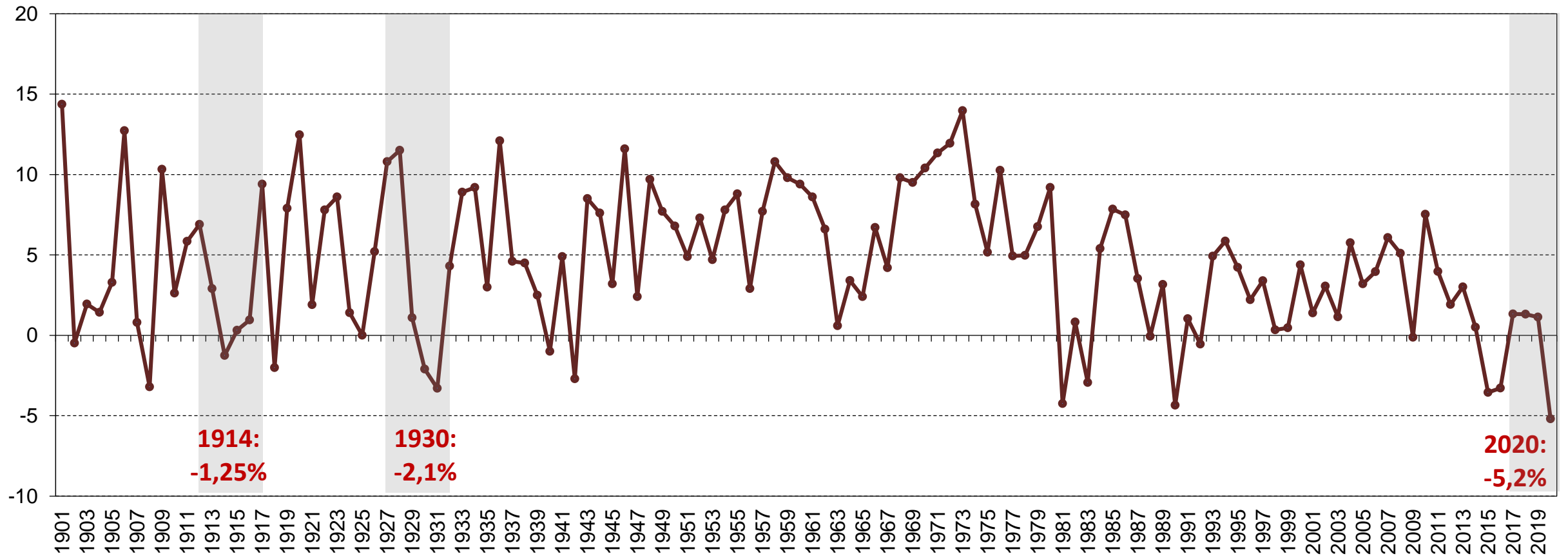
A crisis of a magnitude comparable to that of the Great Depression of 1930



Source: Economic Commission for Latin America and the Caribbean (ECLAC) on the basis of Maddison (2018).

Likewise, the present crisis has no precedent in Brazil for at least a century

Brazil: GDP variation rates, 1901-2020
(in percentages)

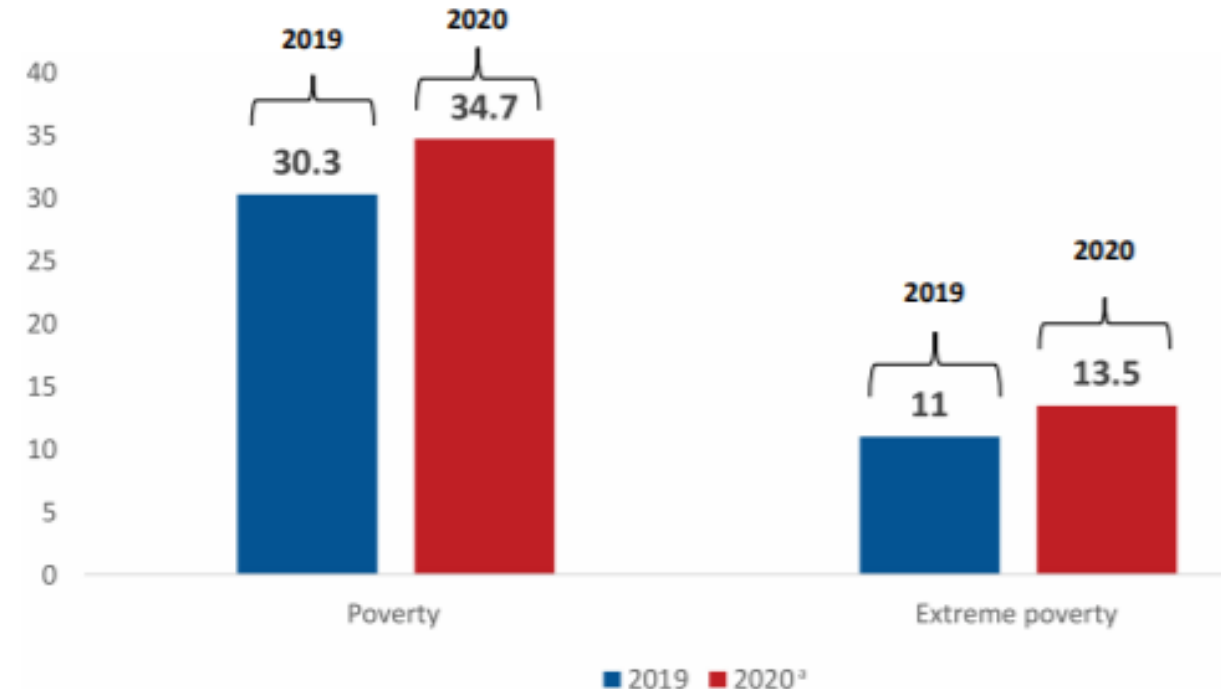


Source: CEPAL based on IPEADATA and CEPAL projections.

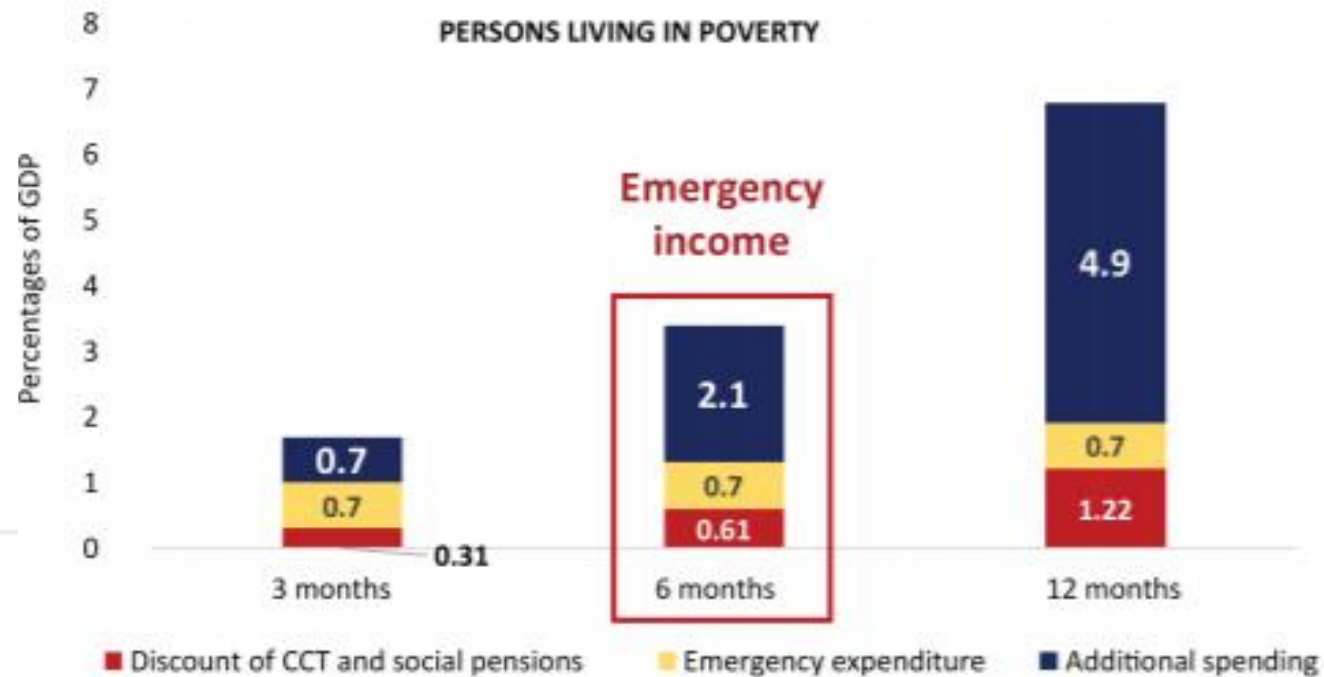
The social impact

- The economic fall will add 12 million people to the ranks of the unemployed (38 m) and drive an additional 28.7 million people into poverty (215 m) and 15.9 million people into extreme poverty (83.4 m)
- ECLAC calls for emergency basic income equivalent to one poverty line for six months for the entire population living in poverty in 2020 (215 million, 34.7% of the population)

LATIN AMERICA (17 COUNTRIES): PROJECTIONS OF PEOPLE LIVING IN POVERTY IN 2020
(PERCENTAGES)

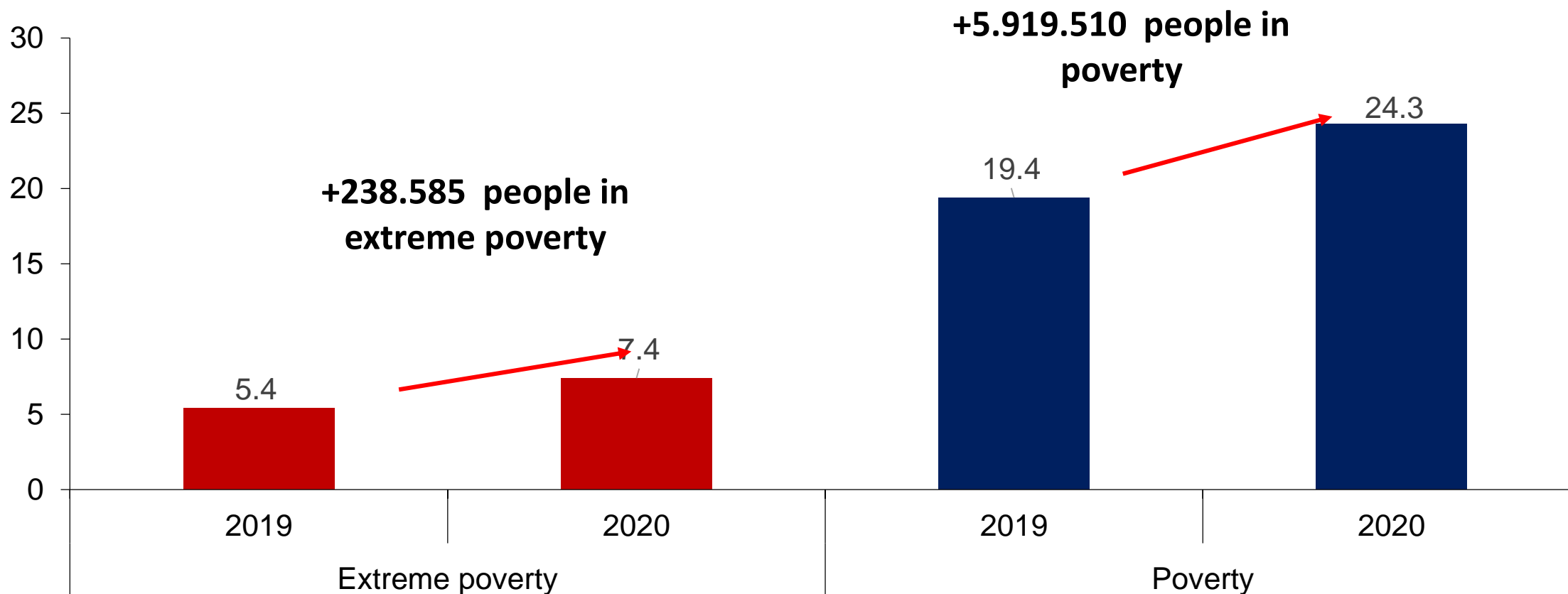


LATIN AMERICA (18 COUNTRIES): ESTIMATED ADDITIONAL COST OF CASH TRANSFERS EQUIVALENT TO ONE POVERTY LINE TO ADDRESS THE IMPACT OF THE COVID-19 PANDEMIC, BY DURATION*



In Brazil, there will be 5,9 million more people living in poverty

Brazil: Poverty and extreme poverty, 2018-2020
(In percentage points)

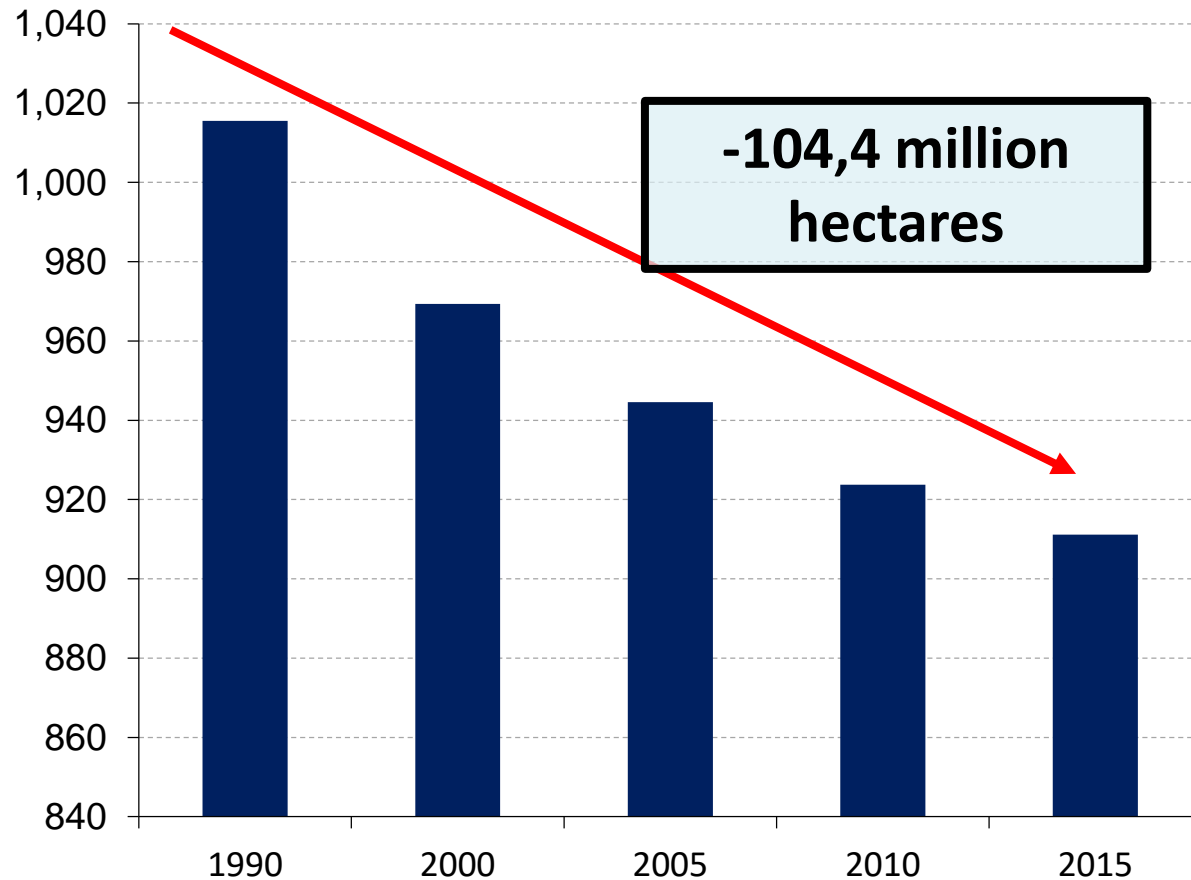


Source: ECLAC.

Learn from this crisis and *build back better*

Latin America: Natural forest area, 1990-2015

(In million hectares)

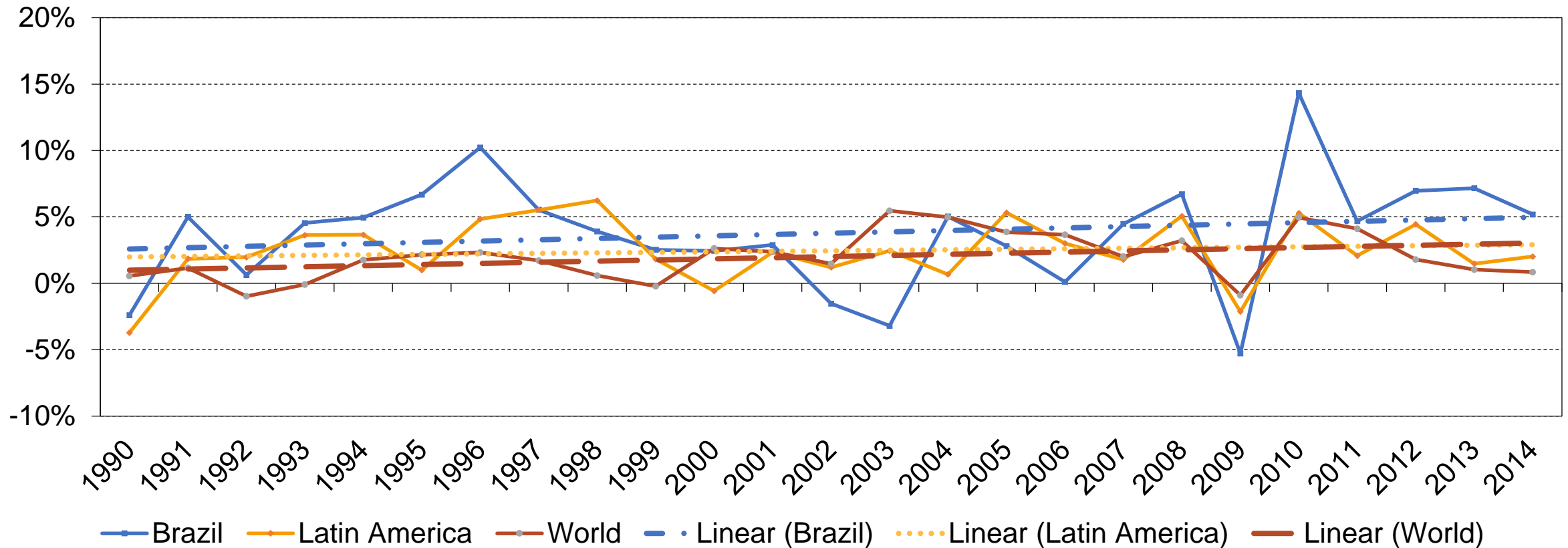


Source: CEPAL STAT based on FAO data.

- Natural capital has been decreasing at a fast pace.
- Building on the momentum of the pandemic's call to action to *build back better*.
- “*With the right actions, the COVID-19 pandemic can mark the rebirthing of society as we know it today to one where we protect present and future generations.*”
(Secretary General António Guterres)

Carbon dioxide emissions grew faster in Brazil (+3,8%) than in the world (+2%) in recent years on average

Brazil: Change in CO2 emissions, 2009-2014
(In percentage points)

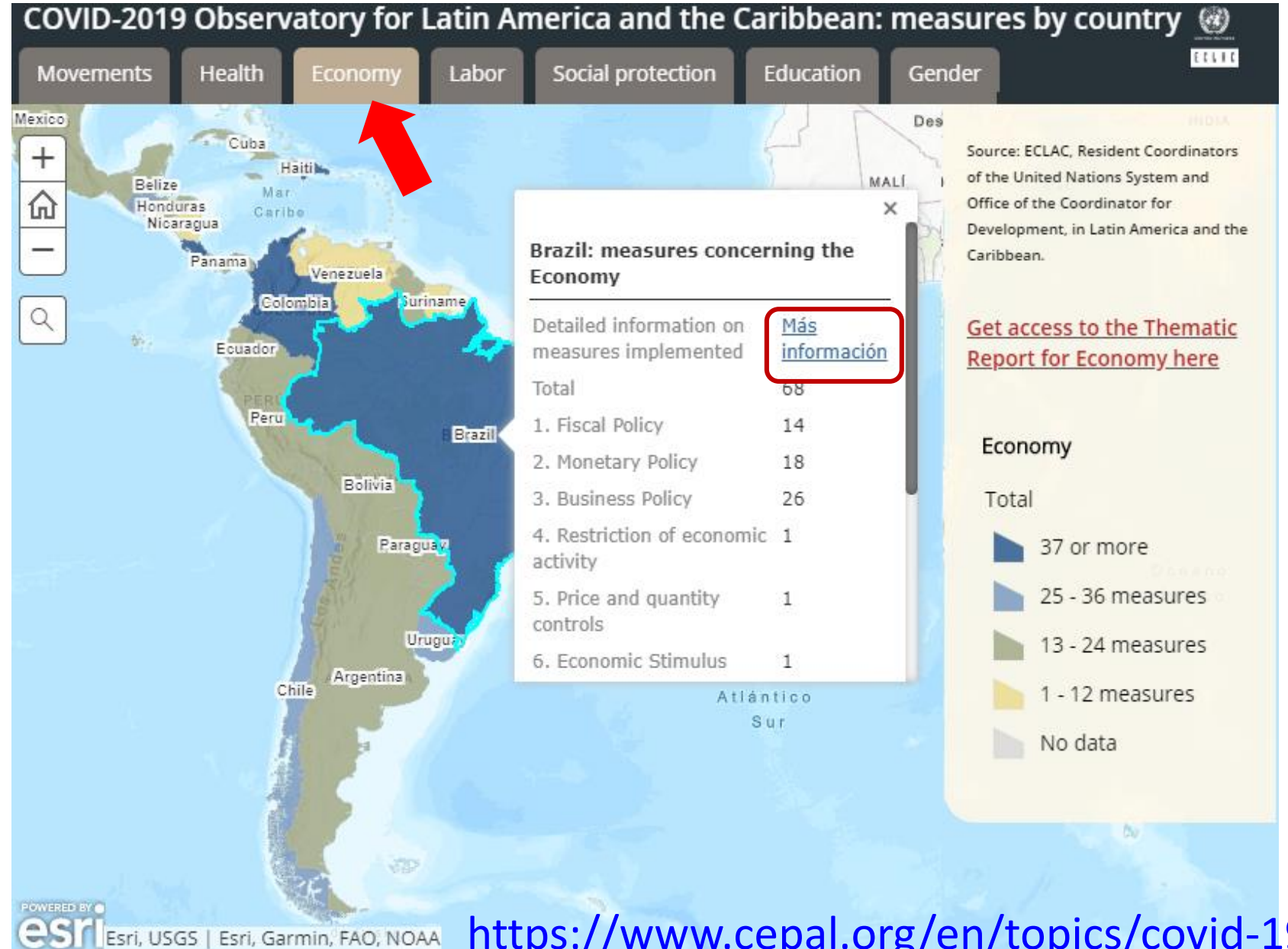


Source: CEPAL based on World Bank data.

COVID-19 GEOPORTAL

The information is accessible by country through an interactive map

Measures that have been taken at national level to address the pandemic in the following areas: movements restrictions, health, economy, employment, social protection, education and gender.



The countries of the region have implemented immediate measures and mobilized resources to contain the virus, protect the workforce and household income

- **Restriction measures and traveler monitoring, fewer flights and border closures**
- **Social distancing and total or partial quarantines**
- **Telework and tele-education** with asymmetries in connectivity
- **Targeting public spending to strengthen health sector capacity**
- **Protection of workers and income**
- **Temporary support for the poorest and the informal sector**
- **Credits and support to companies/SMEs**

Countries	Fiscal effort (% of GDP)
Argentina	3.9%
Bolivia	2.3%
Brazil	4.6%
Chile	5.7%
Colombia	1.7%
Costa Rica	0.8%
El Salvador	11.1%
Guatemala	2.5%
Honduras	2.5%
Mexico	1.1%
Panama	3.7%
Paraguay	4.2%
Peru	8.8%
Rep. Dominicana	0.7% of GDP
Uruguay	0.7% of GDP

Source: ECLAC based on official figures. Note: excludes state credit guarantees.

Proposals

1. Urgently implement a basic emergency income equivalent to a poverty line for six months to the population in poverty.
2. In the short term, increase the fiscal space to design effective measures, and strengthen mechanisms to support income, jobs and companies, particularly strategic ones and MSMEs.
3. In the medium term, formulate responses for a post-COVID world that will bring about **changes in the model of the production structure with greater equality and sustainability**.
4. A Welfare State is required based on a new social pact (fiscal, social and productive) that includes the universalization of access to rights, universal basic income and a system of care.
5. Promote regional and subregional integration.

A fiscal compact to underpin the welfare State

A stable fiscal space that is not carved out from social protection spending

Opportunities to boost income

- Reduce tax evasion and fiscal expenditure
- Improve the progressiveness of the tax structure by strengthening direct personal income taxes, especially for the richest 1%
- Reassess tax incentives (3.7% of regional GDP) to support productive and social investment
- Develop a new generation of taxes on the digital economy, environmentally harmful activities and other factors related to public health

Measures to increase and improve the quality of public spending

- Safeguard dual inclusion (labour and social) through social spending
- Redirect idle capacities and public investment to boost productivity and environmental sustainability



2030 Agenda in Latin America and the Caribbean

Regional knowledge management platform

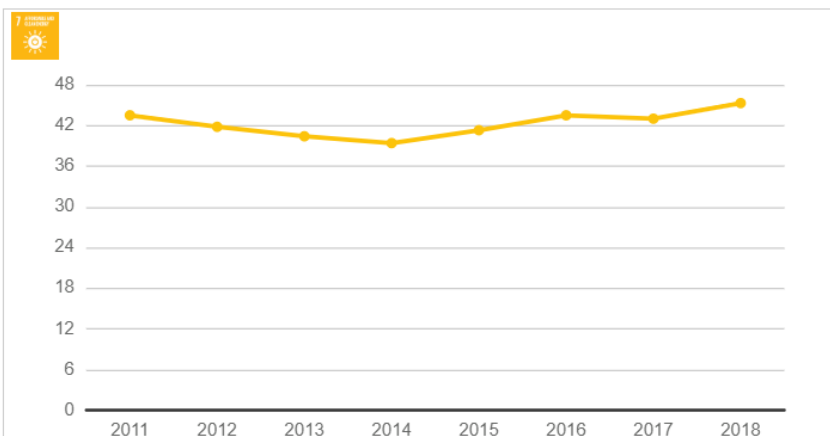
United Nations Forum LAC 2030 About Spanish **English**



2030 AGENDA ▾ REGIONAL ARCHITECTURE ▾ SDG ▾ **COUNTRIES ▾** STATISTICS ▾ UN SYSTEM ▾ STAKEHOLDERS ▾ INFORMATION TOOLS ▾



National indicators



Brazil: Percentage of renewable energy in the internal energy supply, 2011-2016

(Percentages)



Source: ECLAC on the basis of Objetivos de Desarrollo Sostenible. Instituto Brasileiro de Geografia e Estatística (IBGE), Secretaria de governo, Brasil.



Brazil

Voluntary National Reviews



Institutional mechanisms



Institutionality for the 2030 Agenda in Brazil

Institutionality: Secretaria de Governo da Presidência da República do Brasil

- Follow-up
- See Regional Observatory on Planning



National SDG statistical monitoring aspects in Brazil

Responsible institution: Instituto Brasileiro de Geografia e Estatística (IBGE)

- See National Statistical Monitoring
- Country SDG statistical profile



United Nations Organization in Brazil

Authority: Niky Fabiancic, Resident Coordinator

- UN official site Brazil
- See more about the United Nations in Brazil

United Nations Agencies, Funds and Programmes in Latin America and the Caribbean



<https://agenda2030lac.org/>

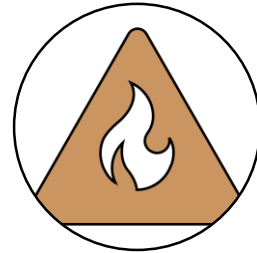
Big Push for Sustainability



Big Push for
Sustainability



Unsustainable current
development routes



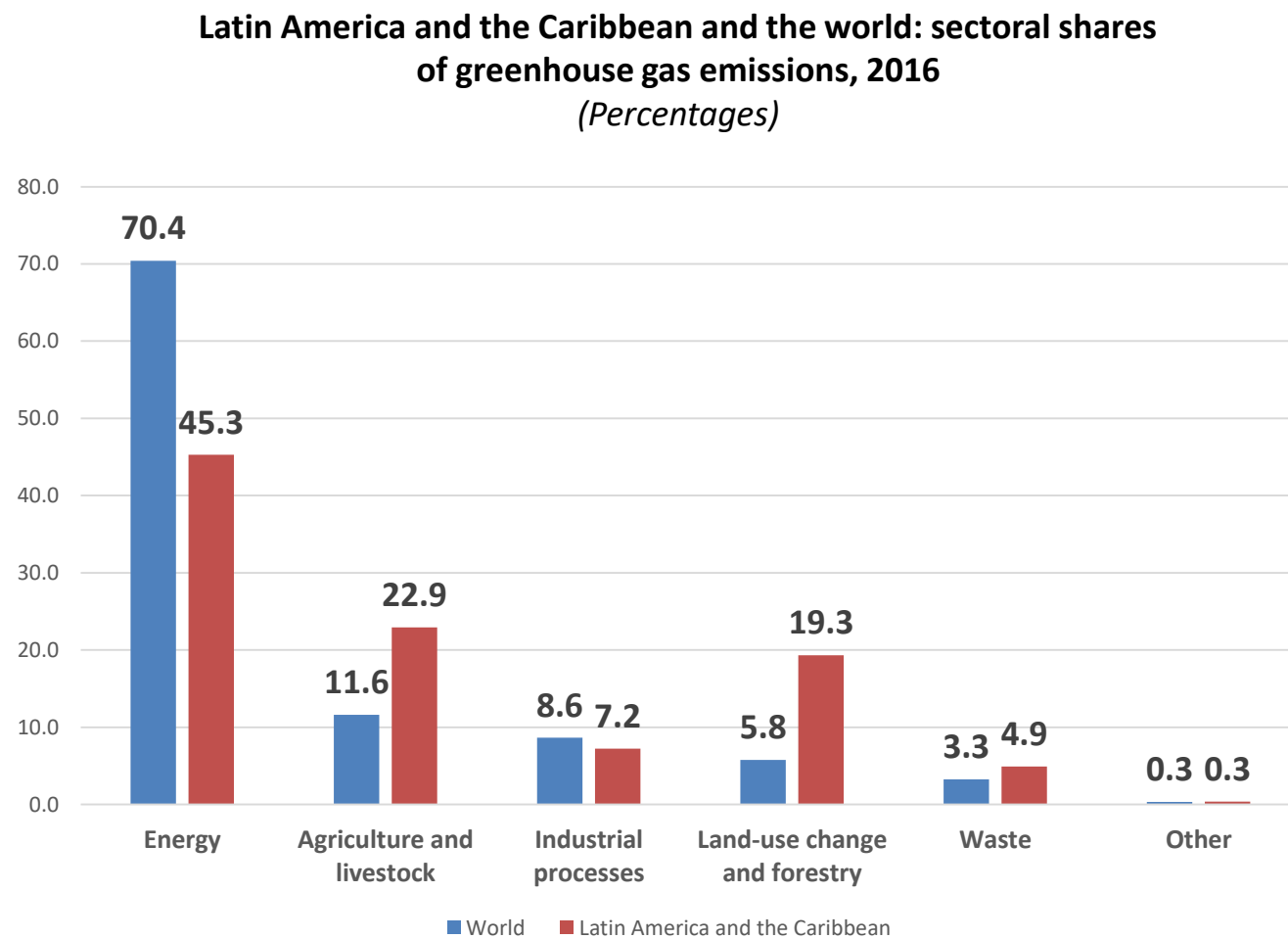
Inaction tends to aggravate
development gaps



Sustainable **investments** can trigger
development route transformation

Sector drivers of structural change

- Non-conventional renewable energy
- Nature-based solutions
- Circular economy and recycling
- Smart cities: digitization, sustainable buildings and e-mobility
- Sustainable, resilient infrastructure: basic amenities
- Less polluting consumption
- Care economy



Source: Figure I.5 in A. Bárcena and others, *The climate emergency in Latin America and the Caribbean: The path ahead – resignation or action?*, ECLAC Books, No. 160 (LC/PUB.2019/23-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2020.

Challenges and opportunities for Brazil to build back better

**Economic recovery
requires responses**

**“Green” recovery
proposals are
being discussed
worldwide**

**Low carbon
investments can
be a big push for
growth**

**Carbon lock-in is
costly to escape
from**

**Constrained fiscal
space demands
smart policies**

**Coordination
challenges**

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Repositório de casos sobre o Big Push para a Sustentabilidade no Brasil

Buscar en esta Guía

Buscar

Esse repositório disponibiliza estudos de casos no contexto do “Big Push para a Sustentabilidade” no Brasil.

Início

Infraestrutura

Sociobiodiversidade

Educação, capacitação e pesquisa

Indústria

Agropecuária e uso do solo

Reciclagem e resíduos

Outros

Apresentação



Um Big Push para a Sustentabilidade

Em termos simples, o “Big Push para a Sustentabilidade” representa uma abordagem para analisar a articulação e coordenação de medidas e políticas (públicas, corporativas e comunitárias, nacionais, regionais e locais, setoriais, tributárias, regulatórias, fiscais, de financiamento, de planejamento, de inovação, de capacitação, etc.) que alavancam **investimentos sustentáveis** (nacionais e estrangeiros) para produzir um ciclo virtuoso de crescimento econômico, gerador de emprego e renda, redutor de desigualdades e de brechas estruturais e promotor da sustentabilidade ambiental, social e econômica.

Saiba mais sobre oportunidades e desafios para um Big Push para a Sustentabilidade no Brasil:



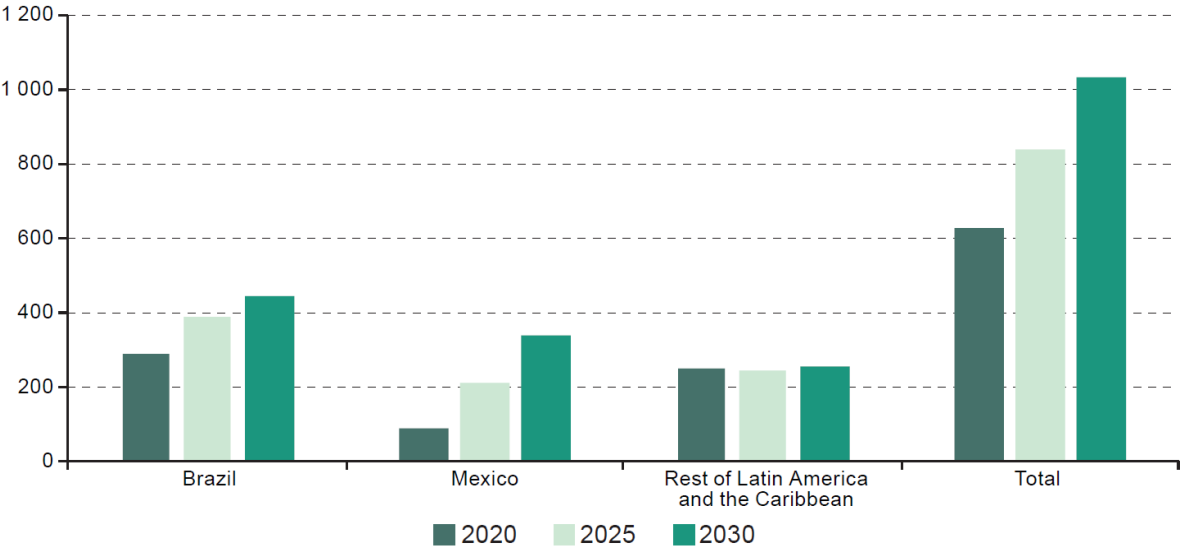
O Big Push Ambiental no Brasil: Investimentos coordenados para um estilo de desenvolvimento sustentável



<https://biblioguias.cepal.org/bigpushparaasustentabilidade>

Generation of clean energy: growth and employment

Brazil, Mexico and rest of Latin America and the Caribbean: net job creation in an energy transition scenario, 2020–2030
(Thousands of jobs created)



Chile: contribution of each GWh generated to GDP, by technology, 2016

		Generating technology						
		Total	Fossil	Total renewable	Hydroelectric	Biomass	Solar	Wind
Generation	GWh	73 877	47 281	26 595	19 208	2 955	2 216	2 216
Value added	Millions of dollars	4 009	1 882	2 127	1 581	180	183	183
Value added/ generation	Thousands of dollars per GWh	54	40	80	82	61	83	83

Source: Figure V.19 and Table V.17 in A. Bárcena and others, *The climate emergency in Latin America and the Caribbean: The path ahead – resignation or action?*, ECLAC Books, No. 160 (LC/PUB.2019/23-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2020.

Examples of investments with positive social, economic and environmental impacts in Brazil

- Rapid expansion of **wind power** and the development of its production chain in Brazil, mobilized more than US\$ 8.2 million in investments and created over 250.000 jobs.
- **Modern steel industry complex** in the state of Ceará adds value to Brazil's large iron reserves, mobilized over US\$ 5 billion in investments and employs over 50 thousand people.
- **Community-led sustainable investments in the Amazon** strengthen indigenous communities, add value to their products and foster traditional ways of living.
- **Investments in improving agroforestry system** in Rio Grande do Sul increased productivity, generated income for rural communities (additional US\$ 2,5 thousand per year per family), protected the environment and drove the industrialization of the value chain, resulting in higher profitability.

The response to the pandemic is an opportunity to move towards a big push for sustainability

- 🌐 A **new pattern of development**, aligned with the 2030 Agenda.
- 🌐 **Welfare state and universal social protection systems** in a new equation with the market and society.
- 🌐 **Public-private pacts** for an agroecological transition, renewable energy and integration of digital technologies in the production systems.
- 🌐 **Progressive fiscal policies** to expand the fiscal space, with incentives towards equality and sustainable investments, job creation and transition to a carbon-free economy.
- 🌐 Institutions and coalitions capable of formulating and implementing policies at the global, regional, national and local levels.

The horizon is equality, progressive structural change is the path, and politics, the instrument

O ponto de partida de qualquer novo projeto alternativo de nação terá que ser, inevitavelmente, o aumento da participação e do poder do povo nos centros de decisão do país.

[Celso Furtado](#)

Thank you!

