

“THE REAL ‘LONG COVID’ IN BRAZIL”

A PANDEMIC OF TWO VIRUSES: INEQUALITY AND COVID-19

By any international standards, the COVID-19 pandemic was a particular disaster for Brazil compared to most countries in the world. After Peru, the country amassed the 2nd position in the Americas and the nineteenth globally with the largest number of deaths per million inhabitants. Until October 2022, the death toll of the country was more than 688 thousand confirmed deaths and more than 800 thousand excess deaths¹, which represents more than 3 thousand deaths per million².

The high mortality rates of the country contrasts with the national provision of infrastructure and public expenditure reported by the government. According to the World Health Organization (WHO), prior to the pandemic, Brazil had the highest number of Intensive Care Unit beds per 100 thousand inhabitants of the region in 2020³- even higher than the OCDE average- and the highest number of nurses per thousand inhabitants in the region in 2018⁴. Even so, in May 2021, the Pan-American Health Organization (PAHO) reported that in Brazil they already had waiting lists in several states⁵. The combined figures hide the inequality in the provision of public services across regions of the country.

In the most unequal region in the world, Brazilians suffer also from the large economic and social inequalities at the cost of their own lives and access to health services. According to the Economic Commission for Latin America and the Caribbean (ECLAC), risk of death among Brazilian Afro-descendants in 2020 is 47% higher compared to the non-Afro-descendant population⁶. An investigation of in-hospital mortality patients from January 2020 to March 2022⁷ showed that Black and Indigenous patients had higher death risk (39.2% and 38.6%, respectively) compared to White patients (33.2%). The regional inequalities paired with racial discrimination are closely correlated, as hospitalizations and death rates of Afro-descendants tended to be higher in the North and Northeast regions. Even after taking into consideration⁸ clinical characteristics and comorbidities, Afro-Descendants and Indigenous patients “have higher in-hospital mortality rates, used fewer hospital resources and were more likely to get sick than white patients”⁹.

People facing homelessness, individuals from the LGBTQI+ community and migrants are all segments of the population that have disproportionately suffered from the pandemic since there are specific barriers that prevent them from having effective access to health services and social protection during these crises. Brazilian authorities must allocate sufficient resources to have reliable data and information to understand better the magnitude of these inequalities and design programs to effectively address the intersection of these ethnic, racial and economic inequalities.

1. The most recent number of excess mortality for Brazil is from August 2022.

2. Our World in Data, “Covid-19 Data Explorer, <https://ourworldindata.org/covid-deaths> (Accessed on 30 October 2022).

3. Organization for Economic Cooperation and Development (OECD) / The World Bank, “*Panorama de Salud: Latinoamérica y el Caribe 2020*”, 2020, Paris.

4. World Health Organization (WHO), “Global Health Workforce statistics database”, <https://www.who.int/data/gho/data/themes/topics/health-workforce> (Accessed on 30 October 2022)

5. United Nations, “Las UCIS de las Américas están desbordadas”, May 2021, <https://news.un.org/es/story/2021/05/1491932>

6. Comisión Económica para América Latina y el Caribe (CEPAL), “*Las personas afrodescendientes y el COVID-19: develando desigualdades estructurales en América Latina*”, 2021, Santiago.

7. Yuan Liu and others, “*Regional Heterogeneity of in-hospital mortality of COVID-19 in Brazil*”, *Infectious Disease Modelling* 7, pp. 364-373.

8. Afro-Descendants are the Black and Pardo population, the later categories used by the Instituto Brasileiro de Geografia e Estatística.

9. Yuan Liu and others, “*Regional Heterogeneity of in-hospital mortality of COVID-19 in Brazil*” (previously cited), p. 370.

The economic crisis triggered by the pandemic affected millions of Brazilians who lost their jobs and sources of income. In 2020, GDP per capita fell 5.3%¹⁰ and employment rates followed, plummeting 9%. Women were disproportionately affected by the labor crisis, since they tend to participate more than their male counterparts in the informal sector, where the most unwarranted jobs were the ones most affected. According to Cateia and others¹¹, in 2020 women were on average 7 percentage points less likely to participate in the labor market compared to their male counterparts, even after considering education levels and work experience.

The crisis might have also exacerbated previous inequalities between ethnic groups. According to ECLAC, in 2020, when the pandemic started, already 40% of the Indigenous population and 24% of Afro-descendants lived in poverty, in contrast to only 11% of the white population¹².

The COVID-19 pandemic has affected different groups in different ways. People who live in Quilombos, women with precarious jobs, Indigenous communities, Afro-Descendants, and people living in the streets are all the most vulnerable.

In May 2020, Amnesty International Brazil launched the campaign *Our Lives Matter* with an alliance of more than 30 organizations to urge authorities to take decisive actions and leave no one behind in the COVID-19 response. The alliance proposed a seven point agenda to address COVID-19 with a human rights perspective: **1)** Guarantee social participation; **2)** Secure a non-discrimination approach in the COVID-19 response; **3)** Guarantee access to information, education and assistance in health; **4)** Guarantee protection and prevention for incarcerated people; **5)** Social protection measures targeted towards people living in the streets; **6)** An integral approach towards health policies that takes into account social determinants of health, and **7)** Protect public workers on the frontlines against the pandemic¹³.

10. The World Bank, *Global Economic Prospects 2022*, June 2022, Washington, DC.

11. Vicente Cateia and others, *Impact of covid-19 on labor force participation in Brazil*, Cogent Economics and Finance 10, pp. 1-17.

12. CEPAL, *Panorama Social de América Latina 2021*, 2022, Santiago.

13. Anistia Internacional, *Nossas Vidas Importam: Agenda de resposta emergencial á COVID-19 para população em situação de vulnerabilidade social*, 2020, Rio de Janeiro.

AN EXPENSIVE AND INEFFECTIVE RESPONSE: THE COST OF BAD DECISIONS

Compared to other countries in the region, the Brazilian government had more fiscal resources to face the crisis, since it collects a significant amount of tax revenues in relation to its GDP (34% in 2019), well above the Latin American and the Caribbean average (22%) and close to the OCDE (33%). However, the government only spent 3.9% of GDP on public health one year before the pandemic (2019), well below the percentage recommended by the WHO (6%) and less than Uruguay (6.2%), Argentina (5.9%), Chile (4.7%), and Colombia (5.5%), who collect less tax revenue with respect to the size of their economies¹⁴.

According to the International Monetary Fund (IMF) Fiscal Monitor, in 2020 Brazil implemented a policy response of unusual resources that accounted to 12% of GDP¹⁵: an increase in public spending in health of 1.5%, a program or deferred revenues¹⁶ of 3.1% and an increase in non-health expenditure of 7.8%. Compared to other Latin American economies, the increase in public expenditure was relatively large, but most of the fiscal package was invested outside the health sector and did not achieve the desired outcomes.

The response of the Brazilian authorities had significant flaws in its conception. According to a World Bank fiscal policy review¹⁷, Brazilian policy was one of the worst ranked globally in terms of its design and implementation¹⁸. This means that the measures implemented **(1)** did not prioritize the most vulnerable or were ambiguous in the selection of its recipients, **(2)** were unclear of how and when the policy would end, and **(3)** was very difficult to enforce.

At the beginning of the pandemic, the Federal Government failed to comply with the protocols and recommendations made by the WHO. In just one year, President Bolsonaro removed three Ministers of Health¹⁹ and minimized the threat of the COVID-19 virus. After domestic and international political pressure from civil society organizations, international institutions and academics, the vaccination process was implemented. By the end of 2021, COVID-19 vaccination coverage in Brazil had reached 67% of the population with the complete scheme and an additional 10% with the partial scheme, above the Latin American average²⁰. Although the measure reduced and contained the number of both new confirmed deaths and the mortality rates²¹, it was too late to prevent what had become a humanitarian crisis. As the health crisis is now being addressed, the long-term social and economic effects of COVID-19 possess new challenges for Brazil in the near future.

After pressure from civil society to implement measures to protect the life of the most vulnerable, extraordinary measures were approved by Congress and implemented by the Brazilian Government. They managed to momentarily reduce poverty during several months of the pandemic in 2020 by targeting cash transfers to the poorest 40% of the population²². The measures included the expansion of former Bolsa Familia, temporary tax reductions and the most important: a basic income called *Auxílio Emergencial* for low-income households²³. In April 2022, Amnesty International warned in its report "Unequal and Lethal" about the risk of a serious setback. Even when the support measures reached 68 million people, 45.6 million of these were only receiving small monthly transfers that ranged from 150 to 375 Brazilian Reais. A recent study from Universidad de São Paulo (USP) estimated that at least 6.1 million people would fall into poverty in 2021²⁴.

14. Amnesty International, "Desigual y Letal", 2022, <https://www.amnesty.org/es/latest/research/2022/09/desigual-y-letal/>

15. International Monetary Fund (IMF), "Policy Responses to COVID-19: Policy Tracker", <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19> (Accessed on 30 October 2022).

16. temporary reductions in tax burden that will be repaid later.

17. The World Bank, "A Review of Fiscal and Policy Responses to COVID-19", 2021, Washington, DC.

18. *targetability, reversibility and administrative complexity*.

19. BBC News, "Covid-19: Brazil to get fourth health minister since pandemic began", March 16 2021, <https://www.bbc.com/news/world-latin-america-56410626>

20. CEPAL, "Panorama Social de América Latina 2021" (previously cited), p. 23.

21. Our World in Data, "Covid-19 Data Explorer" (previously cited).

22. CEPAL, "Panorama Social de América Latina 2021" (previously cited).

23. International Monetary Fund (IMF), "Policy Responses to COVID-19: Policy Tracker" (previously cited)

24. Amnesty International, "Desigual y Letal" (previously cited).

In fact, the reduction of poverty was short lived and now poverty²⁵ is again on the rise: According to the World Bank, poverty reduced from 2019 to 2020 from 26.2% to 18.7% but is expected to have increased to 28.4% in 2021, due to the decrease of Government emergency programs and surges in food prices²⁶. The Getulio Vargas Foundation also corroborates this worrisome trend: using the Pesquisa Nacional por Amostra de Domicílios (PNAD), a recent study determined that poverty using the national benchmarks²⁷ is estimated to increase from 25% in 2020 to 29.6% in 2021, an increase of almost 10 million in a year²⁸.

The most affected states by the increase in poverty in 2021 are Pernambuco, Rondônia, Espírito Santo, Bahia and Minas Gerais. Also, in 2021 is estimated that more than half of the population in the state Amazonas is living in poverty²⁹. These patterns show the regional racial and ethnic inequalities in the country: four of the five states with the highest increases in poverty have a relatively high concentration of Afro-Descendants, and Amazonas and Rondônia a higher concentration of Indigenous communities.

25. Measured by the international poverty line of USPPP\$6.85 dollars per person per day.

26. The World Bank, "The World Bank in Brazil", <https://www.worldbank.org/en/country/brazil/overview>, (Accessed on 1 November 2022)

27. A monthly poverty line of R497 or the World Bank line of USPPP\$5.5 a day.

28. Marcelo Neri, "Mapa da Nova Pobreza", 2022, Rio de Janeiro.

29. Marcelo Neri, "Mapa da Nova Pobreza", (previously cited).

CHALLENGES AND PRIORITIES FOR PUBLIC POLICIES

To protect the right to health, to social security and to a decent work and standard of living, Brazilian authorities must resume the implementation of integral social programs and policies embedded in an anti-racist approach that truly prioritizes vulnerable groups. As such, Amnesty International proposes three urgent actions for Brazil:

- 1. A new, post COVID-19 health strategy that is inclusive, truly universal, and comprehensive:** authorities should allocate at least 6% of the GDP during the next years to have the resources to implement a truly universal system. With these additional resources, priority should be given to four elements.
 - a.** First, increase in the number of procedures and medical consultations for other diseases that dropped during the pandemic and have not yet recovered, like transplants, specialized surgeries, cancer treatment, etc.³⁰
 - b.** Second, to treat patients who have suffered from long COVID and need specialized attention, particularly those living in vulnerability.
 - c.** Third, to implement health programs targeted to address the different structural barriers faced by different vulnerable groups: people living in Quilombos, communities in favelas, people living in the streets, women (particularly Black and trans), workers in the informal sector, Indigenous communities, members of the LGBTQI+, etc.
 - d.** Finally, new rules within the Sistema Único de Saúde (SUS) to make public spending in health more progressive towards states and municipalities that have higher levels of inequality and poverty.

- 2. Guarantee minimum levels of subsistence for all those affected by the crisis:** Most of the evidence from national and international institutions shows that current programs are not enough to prevent millions of people from falling into poverty and need to be more inclusive and truly non-discriminatory. The priority should be to create a program to substitute Auxílio Emergencial with the following:
 - a.** Sufficient mechanisms to guarantee that policies and resources prioritize Afro-Descendants and Indigenous communities, the ones most affected by the pandemic in almost all dimensions and the ones with higher levels of poverty prior to the pandemic.
 - b.** Actions to implement monetary support that effectively reach vulnerable groups that are more difficult to cover with the current programs in place: people living in the street, informal workers, and marginalized LGBTQI+ communities.
 - c.** A regional & tailored approach that target zones in the Amazonas and the Northeast of the country to reduce regional disparities.
 - d.** An adjustment mechanism that considers the recent increase in inflation over years to mitigate the increasing cost of life due to the rise in food and basic consumer prices.

30. Alessandro Bigoni and others, "Brazil's health system functionality amidst of the COVID-19 pandemic: An analysis of resilience", *Lancet Reg Health Am.* 10, June 2022.

- 3. Increase the fiscal space for health and social expenditure:** In 2020, the Government managed to escape from the debt ceiling imposed by the Constitutional Amendment 95 and the Fiscal Responsibility Law³¹. However, public spending in health remains under the WHO minimum of 6% and the recent increase in poverty demands urgent actions from the new administration. In August 2022, Brazil's Treasury promised a reform package to make the cap more flexible to increase more than inflation³². The new Government needs to urgently increase these efforts to allow a fiscal system that truly mitigates the long-term consequences of the economic crises and enables more resources to be invested in a more equitable health system that complies with international standards.

- 4. A progressive fiscal reform:** The economic landscape will pose tight resource constraints to the next Government: Brazil's net debt in 2021 reached 57.2% of GDP, still 3 percentage points above the pre-pandemic levels³³. In the context of economic slowdown, high inflation and high interest rates, fiscal policy needs to implement a tax policy that targets the richest taxpayers to maintain sustainable policies. This new arrangement should prioritize direct / progressive taxes over indirect / regressive ones. On average, Brazil used to collect prior to the pandemic an average of 2.8% of GDP in corporate income taxes, a relatively low amount compared to Colombia (4.8%), Chile (4.9%), Mexico (3.3%) or Peru (3.8%)³⁴. There is space for a more progressive system.

31. International Monetary Fund (IMF), "Policy Responses to COVID-19: Policy Tracker" (previously cited).

32. Reuters, "Brazil's Treasury to present flexible spending cap rule proposal after election", August 30 2022, <https://www.reuters.com/markets/us/brazils-central-govt-tops-expectations-with-record-budget-surplus-july-2022-08-30/>

33. IMF, "World Economic Outlook Database", <https://www.imf.org/en/Publications/WEO/weo-database/2022/October/select-country-group> (Accessed on 1 November 2022)

34. Amnesty International, "Desigual y Letal" (previously cited)