

**Brazil hands out so much Covid cash that poverty is at 16-year low**[Clique aqui para ver a notícia no site](#)

Brazil, which has suffered one of the worlds worst pandemic tolls, has responded to the crisis by distributing so much cash directly to citizens that poverty and inequality are approaching national historic lows.

Some 66 million people, 30 per cent of the population, have been getting 600 reais (\$110) a month, making it the most ambitious social programme ever undertaken in Brazil, a shocking shift under President Jair Bolsonaro, who railed against welfare, dismissed the virus — and now finds himself newly popular.

The government hasnt published its own figures yet but data from the Getulio Vargas Foundation, one of Brazils top universities, show that those living on less than \$1.9 a day fell to 3.3 per cent in June from 8 per cent last year, and those below the poverty line were at 21.7 per cent compared with 25.6 per cent. Both represent 16-year lows.

Economist Daniel Duque, the main investigator, said poverty has, in fact, hit the lowest rate since data collection began 40 years ago but a shift in definitions in 2004 makes direct comparison before then slightly complicated. He added that unpublished measurements from July and August show that inequality calculated by the so-called Gini coefficient fell below 0.5 for the first time ever.

Election time

In other words, as Covid-19 has killed some 122,000 Brazilians, it has paradoxically driven down poverty and inequality, at least in the short term, and also placed government welfare at the heart of political debate, like a decade ago with the Bolsa Familia programme that lifted millions. The issue will reverberate in Novembers local elections, a dry run for the presidency in 2022.

Duque says its as if Brazil had suddenly created a massive basic-income programme. He believes it wont be possible to end it soon: The population will surely demand more types of programmes like this, and "we cant run the risk of a massive drop-off".

In fact, the government has begun paring it back. On Tuesday,...