Global Agenda COVID-19 Global Health Future of Economic Progress

Coronavirus makes inequality a public health issue

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- In Brazil, science scepticism and political dogma have contaminated the debate about COVID-19.
- Poverty in Brazil has risen by 33% in the last four years.
- Public health experts must champion the urgent need to tackle social inequality.

"It may seem like a ridiculous idea but the only way to fight the plague is with decency." – Dr Rieux in Albert Camus's 1947 novel, *The Plague*.

The COVID-19 crisis is producing some positive examples of global cooperation, but it is also exposing many fault lines and revealing some alarming tendencies. Resentment has been expressed by some of the hardest-hit EU states over a perceived lack of solidarity from neighbouring countries. Certain US states are engaged in a bidding war against each other for personal protective equipment (PPE) and medical hardware that has raised prices.

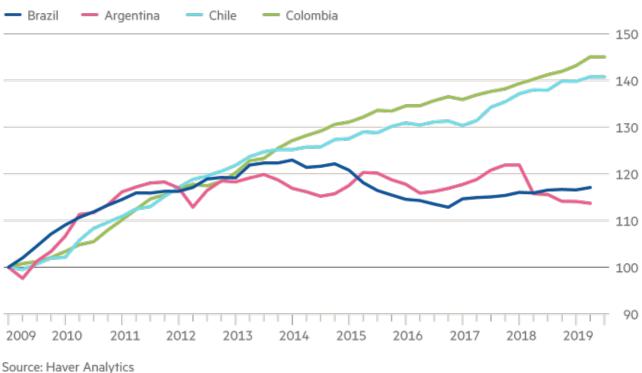
Urgent national public health decisions in the US have become mired in political partisanship. In Brazil, science scepticism and political dogma have contaminated the national debate about COVID-19. All over the world, there are legitimate concerns that the ring-fencing of communities and the closure of borders for purposes of containment will also reinforce tribalism and xenophobia. There is unease that suspensions of civil liberties may embolden authoritarianism and there is reason to fear a global increase in inter-generational suspicion and division. Ageism is rampant.

For decades to come our collective actions and lack of action will be debated, but some lessons are already evident. The most compelling is that extreme inequality does not work for anybody in this COVID-19 era. Even the most privileged cannot build their walls high enough to isolate themselves from epidemics – whether those walls are within or between territories. Just as 19th Century public health specialists championed the urgent

improvement of housing and sanitation, public health specialists of the 21st Century must champion the urgent need to tackle social inequality – for the same reasons of generalized public welfare. Furthermore, that effort must be global.

COVID-19 is now rapidly expanding into the developing world. China apart, with its particularities and vast financial reserves, Brazil is the first major emerging economy to find itself on the front-line. The context is different and challenging. Brazil has consistently ranked among the most unequal countries in the world since data became available in the 1980s. Yet, income inequality in Brazil increased in the last quarter of 2019 for the nineteenth consecutive quarter – representing the most sustained trend ever recorded in the country's history.

Brazil's economy has been stagnant for most of the decade



Cumulative growth in GDP (rebased)

Source: Haver Analytics © FT

Economist Marcelo Neri has observed that from 2014 to 2019, the labour <u>income of the</u> <u>poorest half of the Brazilian population fell by 17.1%</u> while the income of the richest 1% rose by 10.1% – in a setting where the richest 5% of Brazilians already have an income equal to the remaining 95% of the population. Poverty in Brazil has risen by 33% in the last four years alone. 6.3 million Brazilians – equivalent to the entire population of Switzerland – swelled the ranks of the poor in this period.

Instructions to forego income generation, to stay at home, and to practise social distancing ring hollow for tens of millions of Brazilians who lead precarious hand-to-mouth working lives and reside in crowded, multi-generational households within

densely populated communities. COVID-19 is arriving on top of income, housing and food vulnerabilities; weak infrastructure; poor governance; and, all too often, a background of criminal extortion.

The Brazilian Health Minister, Luiz Henrique Mandetta, has predicted that the country's fragile health system, already depleted by severe budget cuts in recent years, will collapse by the end of April. He said: "You can have the money, you can have a private plan, you can have a court order, but <u>there is simply no room for you</u>."

According to a paper by the Centre for Applied Macroeconomics and the Getulio Vargas Foundation, <u>Brazil's gross domestic product may shrink by 4.4% in 2020</u>. The United Nations Development Programme (UNDP) expects <u>income losses as a result of COVID-19</u> <u>in developing countries to exceed \$220 billion</u>. New analysis from the United Nations trade and development body (UNCTAD) predicts that commodity-exporting countries will face a <u>\$2-\$3 trillion drop in investment from overseas</u> over the next two years.

The UNDP said: "With an estimated 55% of the global population having no access to social protection, these losses will reverberate across societies, <u>impacting education</u>, <u>human rights</u>, and in the most severe cases, basic food security and nutrition."

A new strain of Coronavirus, COVID 19, is spreading around the world, causing deaths and major disruption to the global economy.

Responding to this crisis requires global cooperation among governments, international organizations and the <u>business community</u>, which is at the centre of the World Economic Forum's mission as the International Organization for Public-Private Cooperation.



The Forum has created the <u>COVID Action Platform</u>, a global platform to convene the business community for collective action, protect people's livelihoods and facilitate business continuity, and mobilize support for the COVID-19 response. The platform is

created with the support of the World Health Organization and is open to all businesses and industry groups, as well as other stakeholders, aiming to integrate and inform joint action.



As an organization, the Forum has a track record of supporting efforts to contain epidemics. In 2017, at our Annual Meeting, the <u>Coalition for Epidemic Preparedness</u> <u>Innovations</u> (CEPI) was launched – bringing together experts from government, business, health, academia and civil society to accelerate the development of vaccines. CEPI is currently supporting the race to develop a vaccine against this strand of the coronavirus.

For decades the insistent call within health policy circles has been for evidence-based actions. Quite understandably, it has become the mantra of the scientific community. The call must now be for evidence-based politics. The empirical data exists. We know that extreme inequality causes costly, multi-level social dysfunction; that it is harmful to everyone; that it can be corrected; and that the benefits of that correction will be widely shared.

We know that more equal societies are more cohesive and productive and less violent and anxious. Reducing inequality is not an assault on the market but a defence of it. The COVID-19 crisis adds a note of drama and urgency to the need of such actions.

Clearly, developed countries have more than their share of challenges relating to COVID-19 but it is vital that good global citizenship does not become a casualty amid their internal preoccupations. According to the UNDP: "Without support from the international community <u>developing countries risk a massive reversal of gains</u> made over the last two decades, and an entire generation lost, if not in lives then in rights, opportunities and dignity".

COVID-19 highlights our interconnectedness. Robust collective actions to respond to both the immediate and coming challenges are urgent. They must also comprehensively redefine the paradigms of global public health.