


Amid Brazil's COVID chaos, socialist Marica forges different path

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Jandira Freitas shows off her mumbuca card — aid in the form of digital currency — that helped her start her own small business in the socialist city of Marica, Brazil, where she lives [Monica Yanakiew/Al Jazeera]

Economy|Poverty and Development

Located just 60km from Rio de Janeiro, Marica has modelled itself into a very different city, paying residents a universal basic income, using its own digital currency and procuring its own vaccines.

Marica, Brazil — More than a year into the COVID-19 pandemic, Brazil seems set on beating its own tragic records on a daily basis. By April, 4,000 Brazilians were dying every 24 hours — an average of one every 20 seconds — and many while waiting for beds in overcrowded intensive care units.

Hundreds of hospitals were running out of intubation kits in what the country's leading health institution, the Oswaldo Cruz Foundation (Fiocruz), called the worst “sanitary collapse” in Brazilian history.

Right-wing president Jair Bolsonaro put a new health minister in charge in March — the country's fourth since the pandemic began. But Bolsonaro continued to criticise governors and mayors who imposed restrictive measures to stop the deadly outbreak, saying the

coronavirus that causes COVID-19 “had come to stay” and that lockdowns and curfews would only impoverish Brazil.

At least 390,797 Brazilians have died from the virus, according to Johns Hopkins University. The pandemic has also wreaked havoc on the South American nation’s economy. Over six months, the number of Brazilians living in poverty tripled to 27 million, independent economic think-tank the Getulio Vargas Foundation has estimated, forcing the government to resume in April emergency aid it had suspended in January.



Marica has prioritised vaccinating people from the Guarani community on the outskirts of the city against COVID-19 [Monica Yanakiew/Al Jazeera]

In the midst of this chaos, the small seaside town of Marica stands out as an exception.
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The city, just 60km from Rio de Janeiro, has also seen an increase in jobs during the pandemic, even as Brazil’s unemployment rate reached a record 14 percent.

The recipe for Marica’s success story includes millions of dollars in oil revenues and the decision to invest part of that money in healthcare, education, social programmes and a virtual currency called mumbuca.

Last year, revenues from the pre-salt oil reserves off the shores of Marica totalled 1.4 billion reais (\$252m), “but measures to redistribute the riches and make our local economy thrive were taken in 2014, long before COVID-19, when we created the universal

basic income programme,” said Marica’s Vice-Mayor Diego Zeidan, a 22-year-old university student majoring in history.

“When the pandemic began, we already had in place a structure built to deal with years of economic recession,” Zeidan told Al Jazeera. “We just had to upgrade it to match this much more serious crisis.”

Fighting COVID-19

Among that structure: a brand-new healthcare facility dedicated to treating COVID-19 patients: Dr Ernesto Che Guevara Municipal Hospital.

While the hospital had been planned for years as a way for Marica patients to skip a trip to Rio to undergo surgery, it was quickly transformed into a facility to treat COVID-19 cases when it opened last year.

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Even as the number of cases and deaths has continued to climb, Che Guevara hospital has spare beds to offer and has managed to keep the ratio of nine healthcare professionals for every patient by hiring more help.



Dr Ernesto Che Guevara Municipal Hospital, which opened in Marica, Brazil as the coronavirus pandemic struck, has been able to keep beds free and staff available to treat COVID-19 patients despite the surge in cases [Monica Yanakiew/Al Jazeera]

Marica's Mayor Fabiano Horta has also joined forces with other cities to strike a deal on their own and buy 500,000 doses of the dual-dose Sputnik V vaccine from Russia – enough to inoculate Marica's 162,000 people and their neighbours, too. Normally, vaccines are bought by the federal government and distributed to states.

But Brazil's inoculation programme started late, in part because Bolsonaro downplayed the seriousness of the virus and cast doubt on the safety of vaccines produced by communist countries like China.

“Since the federal government has done all it can to delay the process, we cannot stand by and watch our citizens die from lack of vaccines,” Celso Pansera, president of Marica's Institute of Science, Technology and Innovation, told Al Jazeera.

Marica's vaccination priorities include inoculating Indigenous people from two Guarani villages on the outskirts of the city, which allows them to return to their reservations and way of life sooner.

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In the meantime, tribal leaders are building a museum in Marica that will showcase their traditions.

Virtual currency and universal basic income

As Brazilians wait for the COVID-19 surge to ease, Marica is helping its residents make ends meet — but that financial help is nothing new, thanks to the virtual currency it created called the mumbuca.

Before the pandemic, almost a fourth of Marica's people were receiving a universal basic income of 130 mumbucas (\$22) every month.

That amount almost tripled when the economy was hit by the coronavirus. Brazil's official currency is the real, and since mumbucas aren't accepted anywhere outside of Marica, the 42,000 beneficiaries are forced to spend their virtual currency in their hometown, fuelling local commerce.

“Marica was always a dormitory town. People would live here, because housing is cheaper, but would commute to Rio de Janeiro to work and make most of their purchases there,” the city's economic development secretary Igor Sardinha told Al Jazeera. “With the mumbuca, we made sure the money our city distributes to help the vulnerable stays here and helps us create new jobs.”



Marica's economic development secretary, Igor Sardinha, said the community prioritised investing its oil profits in social programmes [Monica Yanakiew/Al Jazeera]

Since 2006, when Brazilian petroleum giant Petrobras discovered pre-salt oil reserves in the Santos Basin, many coastal cities have seen their luck change.

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"Eighty percent of our revenues now come from oil – but not every town that became rich almost overnight did well," Sardinha said.

Many of Brazil's so-called "new emirates" wasted their oil money on luxurious projects until it ran dry, he explained, but Marica "did not want to make the same mistake – so we invested in social projects."

The mumbuca card — distributed to those who earn less than \$500 per month — helped Jandira Freitas set up her little street shop after she suffered an accident and could no longer work as a cleaning lady.

Freitas sells second-hand clothes, sweets and all sorts of knick-knacks.

"I buy my merchandise and sell it in mumbucas," she told Al Jazeera.

During the pandemic, Marica implemented two other social programmes.



Restaurant owner Maria Conceicao Martins were able to keep their restaurant afloat with government aid during the pandemic [Monica Yanakiew/Al Jazeera]

The first is for self-employed and informal workers who were deprived of their incomes when the pandemic forced all non-essential businesses to close their doors, such as Maria Conceicao Martins and her husband, who own a small restaurant.

“We built a clientele thanks to the mumbuca and were able to stay in business thanks to the social aid we received from the government during the months we were forced to close our doors,” Martins told Al Jazeera.

The second programme subsidises the wages of formal workers in an effort to keep their employers from having to let them go. Among the recipients of that programme are schools, which would have reduced personnel to cut costs when classes went online due to COVID-19. For those workers, the minimum wage is set at the mumbuca equivalent of \$193 per month.

“During the past four years, the amount of people being hired has always outnumbered those who lost their jobs – even in the midst of this crisis,” Sardinha said. “In this crisis, 20,500 informal workers were able to survive by receiving a minimum wage in mumbucas.”

While dealing with the pandemic, Marica has been also planning for its future: it has been saving oil money in a special fund to be used in emergencies, once the reserves dry out or in case petroleum prices plunge. So far, the city has saved nearly 500 million reais (\$89m).

Socialist enclave

Despite its success, Marica remains a Brazilian outlier — for now. The city has been governed by the leftist Workers' Party since 2009, when the party's head, Luiz Inacio Lula da Silva, was still one of the world's most popular leaders.

Brazil's former President da Silva — known as Lula — was sentenced to nine and a half years in prison on corruption charges in 2017 after being taken down by the so-called “car wash” scandal, a corruption scheme that involved state-owned oil firm Petrobras, major construction companies and politicians.

His successor, Dilma Rousseff, was impeached in 2016 over accusations that she manipulated the country's budget and engaged in illegal accounting practices.

Despite widespread criticism of Bolsonaro's mishandling of the pandemic, many Brazilians still blame Lula and Rousseff for the corruption and recession that helped put an end to a decade of economic boom. In the 2020 municipal elections, the Workers' Party didn't win a single state capital mayoral race.

But in Marica, Mayor Horta — a member of the Workers' Party — was easily re-elected with 88 percent of the votes.

The fate of the Workers' Party took a turn in March, however, when Brazil's Supreme Court annulled criminal convictions against Lula.

Lula is still being charged with corruption — but since he's no longer a felon, he can run against Bolsonaro in next year's presidential election — something that could potentially bring the socialist model of Marica to the forefront of Brazilian politics once more.