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Brazil scrambles to help the poor, while they barely hang on

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RIO DE JANEIRO (AP) — Brazil's President Jair Bolsonaro has asked supermarkets to lower prices of staple foods and his economy minister suggested homeless people could live off restaurant leftovers. It marked a sharp contrast from days earlier, when both boasted their policies had restored the economy to pre-pandemic levels.

The desperation for stopgap solutions reflects recent recognition that Brazil's economic rebound was largely driven by the agriculture sector and investments, while the poorest citizens saw their footing slip further.

FILE - In this May 26, 2021 file photo, a woman rests in a tent on land designated for a Petrobras refinery, called the "First of May Refugee Camp," which refers to the date the squatters camp sprung up during the new coronavirus pandemic in Itaguai, Rio de Janeiro state, Brazil. (AP Photo/Silvia Izquierdo, File)

In the first quarter of 2021, Brazil's unemployment — officially 14.7% — and economic inequality reached their highest levels in at least nine years. The cost of living has surged — from food to rent and cooking gas — and tent cities and shantytowns have emerged. A record drought threatens to send electricity prices soaring.

That has left governments, companies and nonprofits scrambling to help the poor with welfare, gas subsidies, food donations, cellphone chips and solar panels — anything to get through 2021 as the pandemic continues raging. It's a display of Brazilian "jeitinho" — a knack for improvising solutions in the face of adversity — but also shows how many are barely hanging on, with catastrophe just a few unpaid bills off.

"The poor are far and away the biggest losers and paying the price of this crisis," said Marcelo Neri, director of the social policy center at the Getulio Vargas Foundation, a university. "Brazilians improvise, but sometimes we're victims of our own creativity with collective problems. ... The pandemic is our ultimate test, and we're losing the war."

FILE - In this April 26, 2021 file photo, residents wait on a soccer field for food donated by the local NGO "G10 Favelas," amid the COVID-19 pandemic in the Capao Redondo area of Sao Paulo, Brazil. (AP Photo/Bruna Prado, File) Among Brazil's 15 million unemployed is Sergio Alves, 52, a resident of the working-class Babilonia neighborhood in Rio de Janeiro overlooking the ocean. He has gotten by on the government's generous pandemic welfare program; it sustained the poor and stimulated consumption, preventing a deeper recession last year. Brazil currently has 27.5 million poor people, defined as households living on less than one minimum wage (\$220). If the federal government ceased its current aid program, that number would go automatically to 34.3 million, according to Neri.

That lifeline was first reduced and then suspended at the end of 2020. It was reinstated in April — but at a lower level. Now, Alves spends more on electricity alone than he receives from the program.