

Economic indicators go back 30 years and country returns to the hunger map | Economy

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Brazil has returned to the past in terms of the economy, the well-being of the population, education and the environment, showing indicators that go back up to 30 years. Recession, pandemic and dismantling of public policies have accentuated in the last two years a process of social setback. They brought back hunger, poverty, school dropout, deforestation, inflation, threatening the country's development, warn experts. Sergio Vale, chief economist at MB Associados, was surprised by the decline in so many indices. "It's a very big step back in time", he says, referring to today's Gross Domestic Product (GDP), equivalent to 2013, and to car production, the same as in 2006, 16 years ago: "The production of consumer durables (cars and appliances) is the same as it was 18 years ago. It looks like a war situation, tragically going back in time." Enter the Brasil Econômico channel on Telegram and stay on top of all the news of the day. Also follow the general profile of the iG Portal Economist Silvia Matos, technical coordinator of Boletim Macro do Ibre/FGV, calculated that only in 2029 will we return to the highest real value of GDP per capita, of R\$ 44 thousand, reached in 2013, considering the average growth of the last years of the country, around 1.5%. "We are going to live with less growth, inflation that is difficult to fight, more interest rates and a bad balance in the world", he predicts. Social setbacks accumulate. Hunger now affects 33 million Brazilians, the same number as in 1992. When Brazil left the UN Hunger Map in 2014, there were 9.5 million in this situation. "The country collapsed", summarizes Francisco Menezes, a consultant for ActionAid, one of the organizations of the Penssan Network, which released the hunger figures last week. "Three factors explain this situation. The first is the strong impoverishment of a large part of the population. The second was the behavior of the labor market, with discouragement and a drop in average income (which is the same as in 2011). The third is the dismantling of food security and social protection programs." In education, children lost more. School dropout in the 5-9 age group is the same as in 2012, according to a study by economist Marcelo Neri, director of FGV Social: "The worsening among younger children, especially between 5 and 6 years of age, after great progress in the last 40 years, has drawn attention." Brazil returns to the hunger map with 1992 indexes The Penssan Network, which brings together organizations such as ActionAid and Ação da Cidadania, showed last week that hunger affects 33 million Brazilians, the same number as in 1992. A trip back in time by three decades for the country that had left the Hunger Map in 2014, with 9.5 million, or less than 5% of the population, hungry. Today, it's 15%. Country of the minimum wage: Workers who earn up to the floor reach 38% The replacement of Bolsa Família by Auxílio Brasil doubled the amount, with a floor of R\$ 400, but reduced the efficiency of the program with the emptying of the Cadastro Único (which maps out families in need) and of food security policies, such as the purchase of food from the family farming, whose budget fell from R\$550 million in 2012 to R\$53 million. The situation makes the crisis more acute for the poor, explains Francisco Menezes, from ActionAid. "Hunger grows at a disproportionate speed to the crisis and pandemic scenario, with the poor conduct of social policy", says Ricardo Henriques, from Instituto Unibanco. 'Challenges are huge' Ricardo Henriques, superintendent of Instituto Unibanco, says, based on an evaluation carried out in the state of São Paulo, that there was school delay at all stages, but with more intensity among children, threatening a stage of education that he considers to be the most needs the socialization provided by the school. The level of learning in mathematics returned to 2007, and that of Portuguese, to 2011. "In education, the setback is categorical. The challenges are enormous. There are a few years to be recomposed", he says. In the environment, it turned to the past of increasing deforestation. In the Amazon, where two weeks ago the indigenist Bruno Pereira and the journalist Dom Phillips were murdered, the cutting of trees has never been greater. Even the bakery classic: Breakfast inflation hits the slathered with bread on the plate We went from a deforested area of 4,571 square kilometers in 2012 to 13,235 square kilometers in 2021. "We never imagined returning to 10,000 kilometers of deforested area. It is a method of undoing governance on the environmental issue that has been systematically done in all areas. illegal, legalizes illegal things, does not create conservation units and tries to eliminate those that exist", says Tasso Azevedo, coordinator of the Annual Mapping of Land Cover in Brazil (MapBiomias). Gross Domestic Product (GDP) drops to 2013 level The Gross Domestic Product (GDP) of Brazil today is practically the same as in 2013, eight years ago, as announced by the IBGE at the beginning of the month. Apart from services and agriculture, all the major sectors of the economy are still trying to get their heads above water, to return to a growth trajectory, having already recovered what they lost in the crisis years. There is a structural issue behind it, observes Sergio Vale, from MB Associados. Investments and household consumption went back to 2015, and industry to 2009. Stable industry: Only the service sector grows in the 1st quarter GDP; agro has a fall of 0.9% According to Rebeca Palis, from IBGE, both consumption and investments lost in the 2014 and 2015 recession, but, in the pandemic, family spending suffered more. For Silvia Matos, from FGV, "the bad mood of consumers is very high": "They are looking at the economy in a negative way, with very strong inflation. There is an institutional fragility permeable to interest groups to increase (public) spending, resulting in the exchange rate and more inflation." Climbing inflation reaches 2003 level Only in 2003 did Brazil experience an inflation rate as high as it is now. It was the first year of Lula's government, right after the dollar's soaring the previous year, which reflected the uncertainty with the new government. Now, a set of factors made the Broad Consumer Price Index (IPCA), measured by the IBGE, reach 11.73% in the 12-month period up to May. It is comparable to the 11.02% of almost 20 years ago. The Bolsonaro government has already cut taxes on the basic food basket and fuel and changed the command of Petrobras three times. Congress approved a ceiling for the ICMS on diesel and gas, but nothing has yet been able to contain commodity-driven inflation. The pandemic caused bottlenecks in global production, droughts and frosts affected food and electricity production, and political instability pushed the dollar up, contaminating domestic prices, analysts recall. As a result, the basic interest rate (Selic) of the economy rose to 13.25%, the highest since the end of 2016 (13.75%). Proportion of Brazilians in poverty is that of 2010 The poverty seen on the streets and peripheries today is at the same level as between 2009 and 2011. The advances in this social indicator were lost, in the calculations of economist Marcelo Neri, director of FGV Social: "Food insecurity follows extreme poverty. When extreme poverty worsens, hunger worsens even more." Poverty reached 8.4% of Brazilians in 2014 and fell sharply in 2020, with the distribution of Emergency Aid, to 4.8% in August of that year. From R\$ 600: Temporary relief from emergency aid had greater impact on children, study shows But it was a fleeting gain. By October 2021, it had already risen to 13%. With another poverty line, Neri saw that, at the end of 2021, the indicator dropped to 10.8%, but these are not comparable metrics, he points out. For sociologist Leticia Bartholo, the reactivation of dismantled assistance programs "is not easy, it is not quick and will take a few years": "But it can be shortened if the professionalization of the State is resumed, delivering the areas to those who understand, opening space for dialogue. The size of Brazilian inequality: Average income of the top 10% is 29 times greater than that of the 50% at the bottom of the pyramid"



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