

Paths for sustainable economic recovery in Brazil



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Context before COVID-19 pandemic hits

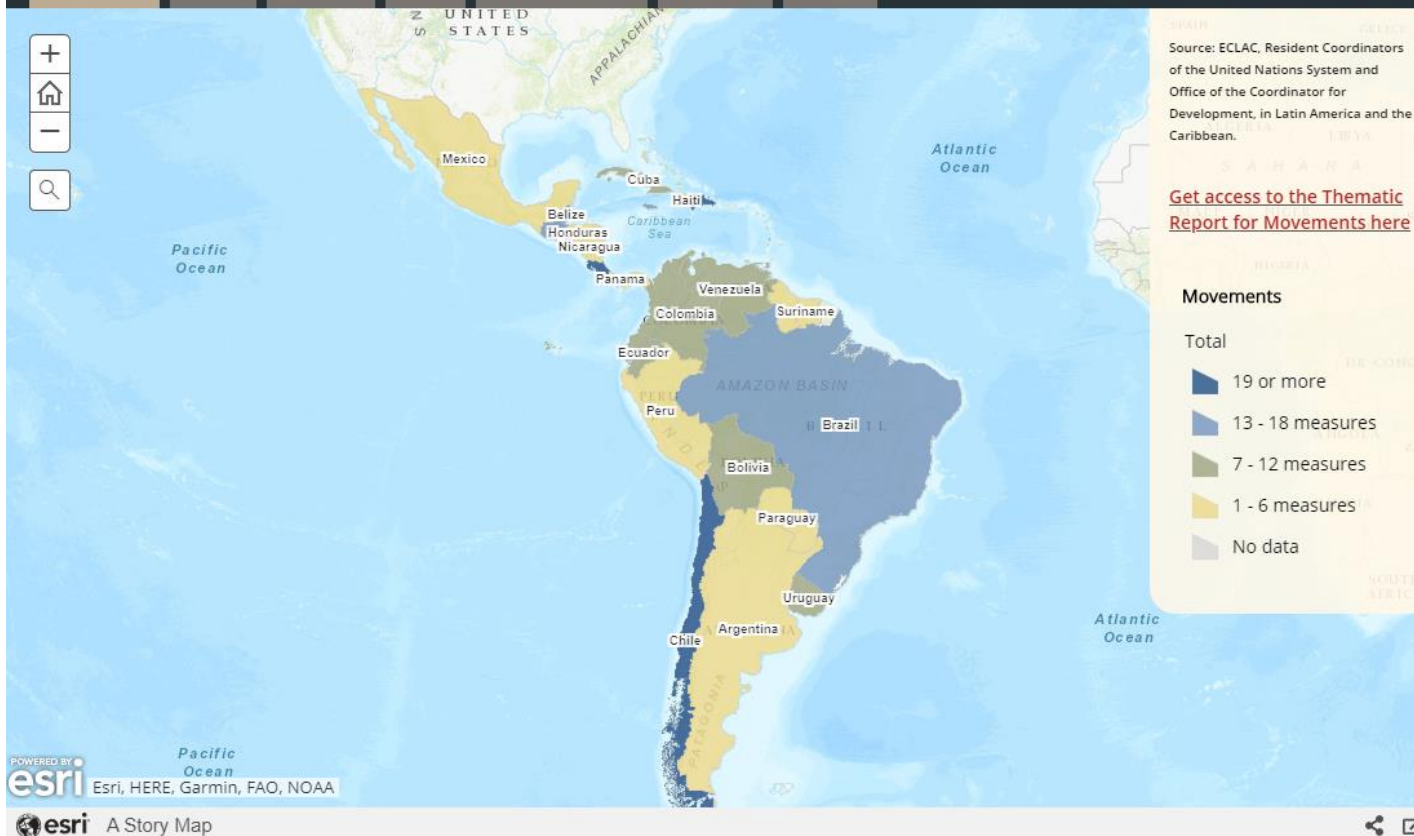
- The pandemic reached Brazil and Latin America and the Caribbean in a context of low **economic** growth. The 2014-2019 period was the one with the lowest growth since the 1950s, with an average annual rate of -0,4% in Brazil.
- Since 2014, before the pandemic, Brazil and the region were experiencing a process of deterioration of the **social** situation in terms of poverty and extreme poverty, and a lower rate of reduction of inequality. Poverty has increased from 11,2% in 2014 to 13,7% in 2018 in Brazil, and extreme poverty jumped from 2,3% in 2014 to 3,9% in 2018.
- Brazil and the region have been observing an increasing degradation of the **environment**. The region has lost 104,4 million hectares of natural forests in 2015 compared to 1990. Carbon dioxide emissions grew 4,6% in 2016 compared to 2011 in Brazil, which represents more than twice the global rate for the period of 2,6%.



COVID-19 Observatory for Latin America and the Caribbean: measures by country

We invite you to explore the measures that have been taken at national level to address the pandemic in the following areas: movements restrictions, health, economy, employment, social protection, education and gender. Click on each of the respective tabs, and then on the country of your interest, this will display a window containing active links to specific information on these measures.

Movements Health Economy Labor Social protection Education Gender



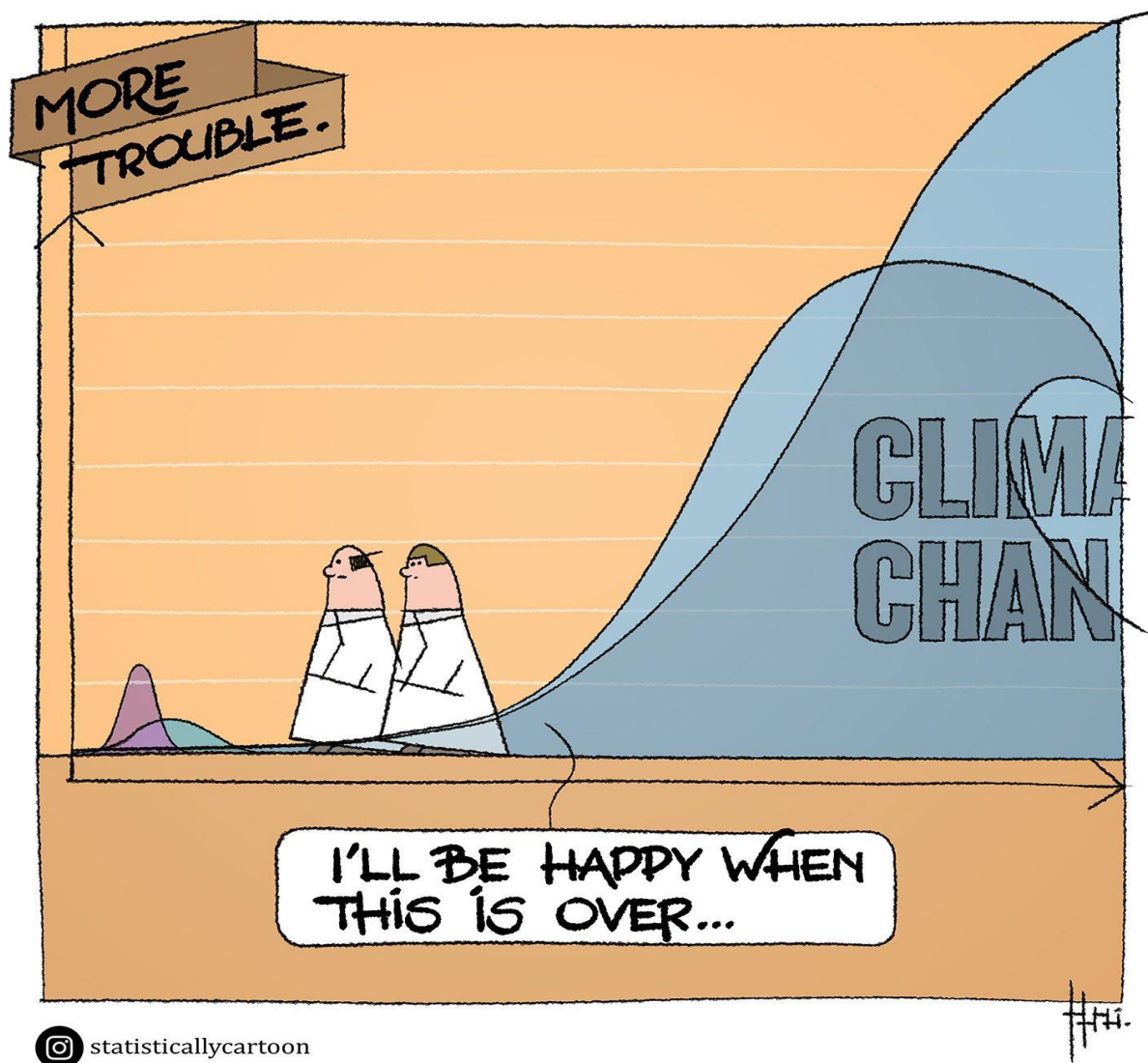
<https://www.cepal.org/en/topics/covid-19>



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Context: the next crisis





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Why is the climate emergency relevant?

“We are not facing new problems, but old problems that have become very serious.”



Raul Prebisch

The 2000s: multi-crisis

- Stern Report (2007)
 - The largest Market failure ever seen
 - Inaction will cost 5%-20% GDP losses annually

Paradigm shift

- Millennium Ecosystem Assessment (2005): biodiversity and ecosystem services loss
- Great Recession 2008-2009

~~Is climate change happening?~~



What is the best course of action?

Tackle multiple crises simultaneously

Climate policy as economic growth driver

Green economy (Rio+20)

Green growth

Low carbon recovery

Global Green New Deal

The first green stimulus packages

Global green stimulus announced from the end of 2008 to the beginning of 2009

Country	Total	Specific green
Australia	USD 7.25 billion	Support for energy efficiency and insulation to around 2.7 million
China	USD 221.3 billion	Investments in infrastructure, improvements, rail transport (as a stimulus), new electricity and
Denmark	USD 1 billion	Support for energy efficiency in Danish homes and tax cuts on labour
France	USD 1 billion	Support for energy efficiency in French homes and tax cuts on labour
Japan	USD 1 billion	Support for energy efficiency in Japanese homes and tax cuts on labour
South Korea	USD 1 billion	Support for energy efficiency and clean fuels, investment in infrastructure, modernization of rivers and
United Kingdom	USD 30 billion	Support for energy efficiency and clean fuels, investment in infrastructure, modernization of rivers and
United States	USD 112.3 billion	Tax cuts and credit for energy and carbon capture and storage. Incentives for renewable energy, energy efficiency actions, including modern buildings, low carbon vehicles, modal shift to rail and modernizing the electricity grid.

US\$ 520 billion

Current fiscal stimulus

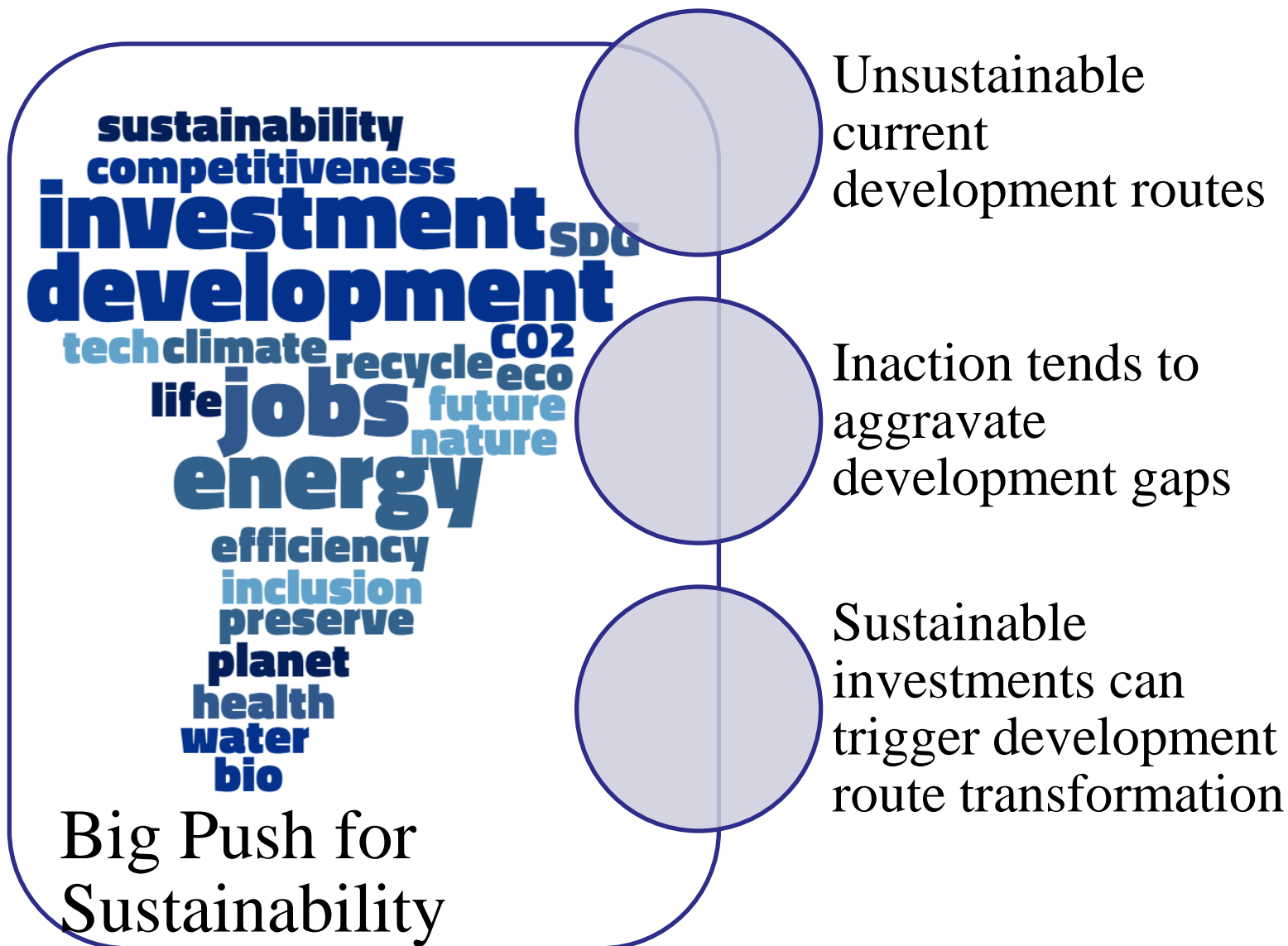
- Global
 - Scale of trillions
 - Wide ranging
- Latin America and the Caribbean
 - Over US\$ 100 billion
- Brazil: ~12% of GDP
- “Green” fiscal stimulus:
 - Chile, Costa Rica, Pakistan
 - European Union, Korea, the United States



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A Big Push for Sustainability





Three-fold efficiency

Big Push for Sustainability

- **Schumpeterian efficiency**
 - Productive diversification toward knowledge and learning-intensive processes, which can irradiate technological change and innovation throughout the economic value chain.
- **Keynesian efficiency**
 - Focus on fast growing markets, both domestic and international, which helps obtain scale and scope gains that accelerate economic activity and multiply jobs.
- **Sustainability efficiency**
 - Economic viability, social justice and environmental sustainability.



The Big Push for Sustainability

Underlying conditions for new development routes

- National priorities (strategies, guidelines, sectoral plans etc.)
- International consensus (2030 Agenda and the 17 SDGs, Paris Agreement, New Urban Agenda Habitat III etc.)
- Threefold efficiency: Schumpeterian, Keynesian and Sustainability

Policy coordination

- Public, private and non-profit policies; regional, national and subnational
- Sectoral, tax, fiscal, regulatory, financing, planning etc.
- Actions, measures, plans, strategies, programs, policies.

Sustainable investment

- Focus on sustainable technologies
- Complementarity between types of investments: infrastructure, machine and equipment, education and technological capabilities
- Complementarity between public and private investments: crowing-in

Impacts

- Economic growth, income increase, job creation, inclusion, reduced development gaps
- Greenhouse gas emission and other pollutant reduction; Natural capital recovery
- Increase in technological and innovative capacities; Value chain development
- **Change in development route**



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Opportunities and challenges for Brazil

Economic recovery requires responses

Carbon lock in:
costs of breaking inertia

Coordination challenges

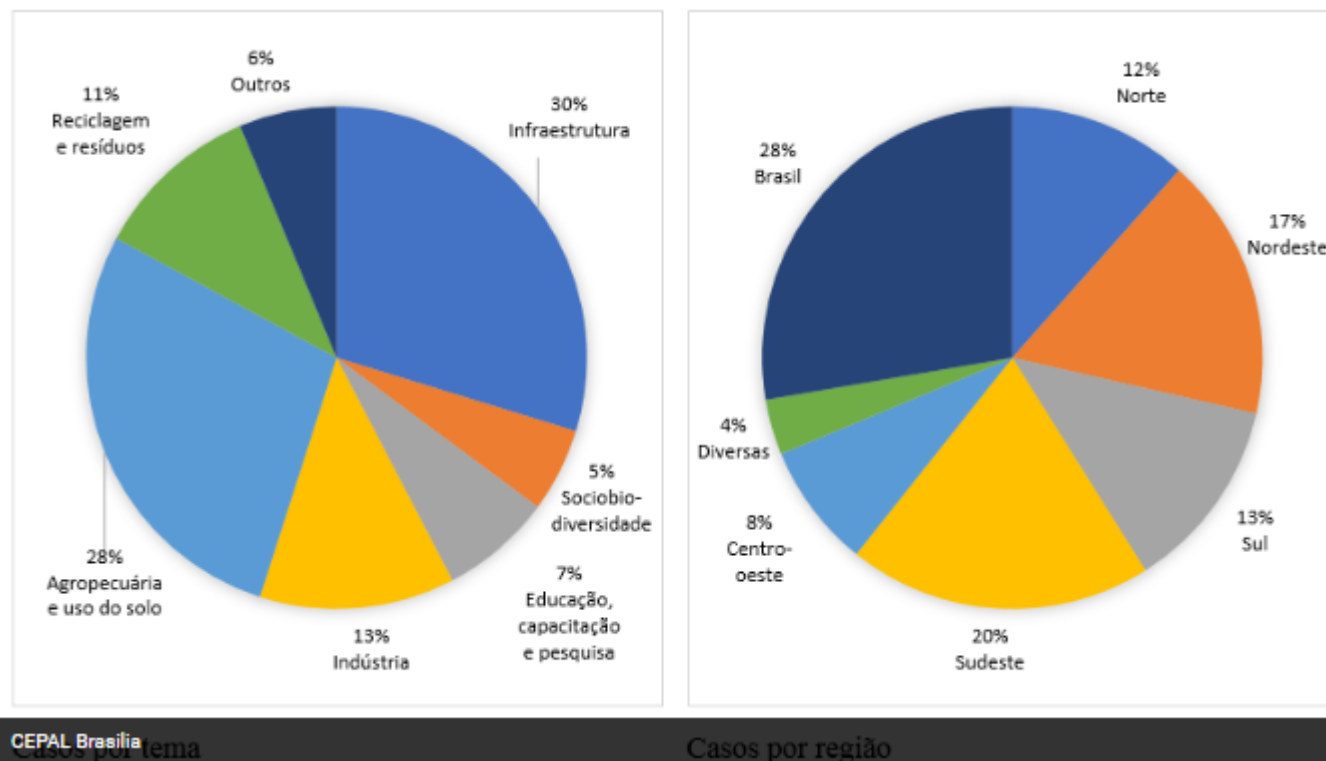
Constrained fiscal space demands smart policies

Sustainable technologies improve competitiveness

Brazil has significant cumulated competences

Over 60 case studies of investments for sustainable development in Brazil mapped

- Online repository with 66 case studies of investments that delivered positive social, economic and environmental outcomes in Brazil



- <https://biblioguias.cepal.org/bigpushparaasustentabilidade>



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More information

COVID-19 Observatory
in Latin America and the Caribbean



COVID-19 Observatory
in Latin America and the Caribbean
Economic and social impact



Green fiscal policies: An armoury of instruments to
recover growth sustainably



The Big Push for Sustainability



Investimentos transformadores para um estilo de
desenvolvimento sustentável: Estudos de casos de
grande impulso (Big Push) para a sustentabilidade
no Brasil



Repositório de casos sobre o Big Push para a
Sustentabilidade no Brasil



Biblioguías - Biblioteca de la CEPAL
Comisión Económica para América Latina y el Caribe

Repositório de casos sobre o Big Push para a
Sustentabilidade no Brasil

Este repositório disponibiliza estudos de casos no contexto do "Big Push para a Sustentabilidade" no Brasil.



A stylized map of Latin America and the Caribbean region, rendered in a light blue color against a dark blue background. The map shows the outlines of the continents and islands in the region.

Thank you



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