



Daily Brief on Brazilian Politics

March 27, 2020

Bolsonaro against the world

Bolsonaro continues his full-on assault on governors and health experts, insisting on people returning to normalcy immediately. He also questioned statistics related to deaths caused by the coronavirus — both those of Brazil and Italy. He suspects a fraud has been committed to advance political interests. Congress and governors are largely unified in trying to isolate a president that is averse to negotiating — for the sake of the country.

- Deaths from COVID-19 have gone up from 77 yesterday to 92 today, with 3,417 confirmed infections.
- Bolsonaro's administration has launched a video campaign called "Brazil Cannot Stop." Instead of sitting down at the negotiating table, Bolsonaro is bent on convincing people that he is right.
- The government is making available a R\$40 billion (\$7.8 billion) credit line to small and medium-sized businesses to help them pay salaries. A financial support package for informal workers and head-of-household mothers has passed in the lower chamber of Congress.



Bolsonaro with the president of the Central Bank, Roberto Campos Neto, the president of the *Caixa* public bank, Pedro Guimarães, and the president of the Development Bank (*BNDES*), Gustavo Montezano. Photo: [Marcos Corrêa/PR](#) (CC BY 2.0).

Coronavirus

COVID-19's death toll now stands at 92 – an increase of 15 deaths since yesterday. There are 3,417 confirmed cases of infection: 1,223 in São Paulo and 493 in Rio de Janeiro.

Meanwhile, the Bolsonaro administration is working on a campaign video called “Brazil Cannot Stop” (“*O Brasil não pode parar*”). An early version is already [circulating on the web](#). The hashtag #OBrasilNãoPodeParar is promoted in the video. A counter-hashtag – #OBrasilTemQuePararBolsonaro (“*Brazil has to stop Bolsonaro*”) – started to grow and is, at the time of writing, the third highest trending hashtag in Brazil on Twitter. Bolsonaro's hashtag is not ranked among the top ten.

The video enumerates various professions and families, mentioning children and grandchildren, and says that for the sake of these people, Brazil cannot stop. The video follows a period in which Bolsonaro has become increasingly aggressive in promoting so-called “vertical isolation” – where only risk categories, such as older people, stay at home – as policy for combatting COVID-19. State governors, congressional leaders, and local authorities have followed the advice of the WHO and the Brazilian medical authorities,

confronting the president.

Folha de S.Paulo reports that an official of the Ministry of the Economy was pressed by several state authorities about what the federal government's containment strategy was based on. The official said that the "vertical isolation" that Bolsonaro defends is "a principle" of the administration. In meetings with state secretaries, according to the newspapers, federal authorities have admitted that there is no scientific study to justify such a strategy.

Earlier today, Bolsonaro warned states which have limited commercial activity that they will have to pay compensation to workers who lose their jobs. It is doubtful if there is money for that, as many states were already hurting financially before the virus arrived. Rio de Janeiro's governor, Wilson Witzel, alerted yesterday that there will be "financial chaos" if the state does not receive federal aid by Tuesday. Rio would then be unable to maintain its containment measures.

Brazilian labor law says that in cases of "temporary or permanent work stoppage," induced by local or federal authorities, compensation must be paid by the authority responsible for the stoppage. Bolsonaro referenced this article to discourage isolation measures. Legal experts, however, are not sure if it is valid in the current situation, where Brazil is experiencing a national emergency without precedent — one where lives are at stake — and where measures apply to the general public, not to specific businesses.

São Paulo's mayor, Bruno Covas, said in response that he was more concerned about another article, in the penal code, "to not be held responsible for homicide."

São Paulo's governor, João Doria, strongly criticized the president for his offensive against isolation measures:

"It is worth asking: Who will be the guarantor of the deaths? The one who authorized this campaign? The one who idealized the campaign? The one that defends a campaign for people to take to the streets? The one who took to the streets when the guidelines were to keep safe? The one who identifies the most serious health crisis in human history as a small flu? Who will be the guarantor of the deaths in Brazil?"

Bolsonaro, on the other hand, said today in a televised interview that he does not believe that the numbers coming out of São Paulo are accurate. He believes that the official statistics of COVID-19 deaths could be a fraud to serve political interests.

According to the president, the numbers in Italy — a country with one of the

highest death tolls so far — are fraudulent. “Most deaths have nothing to do with the coronavirus. They are people who were in a cold region and with an average age of 80 years,” he said in the interview.

Bolsonaro called for an immediate return to normalcy and repeated his claim that the virus is just a “small flu.” “The best medicine for any disease is work,” he affirmed.

The congressional opposition

A broad coalition of centrist and leftist parties in Congress agreed that there is no sense in trying to work with the president on curbing the spread of the coronavirus. Few lawmakers in Congress take the president seriously in the matter.

The plan is not to remove Executive prerogatives, according to *Folha de S.Paulo*, but to focus the dialogue on ministers and experts in federal organs. Lawmakers close to congressional leaders revealed the strategy to the newspaper.

The broad consensus in Congress is that the president is weakened and that it is up to the legislature to ensure employment and income in the midst of the crisis, even if it means going against Bolsonaro. If he does not try to negotiate with the other branches of government to reach an agreement with, they have no choice.

And the governors

Almost all states have taken measures such as shutting down commerce and prohibiting large agglomerations of people to curb the spread of the coronavirus, ignoring Bolsonaro’s recommendation to return to normalcy. After the Bolsonaro administration made a video campaign against such measures, governors reacted by forming a coalition that will go public with its own national campaign. More to come.

The state of the economy

The São Paulo stock exchange made its largest weekly gain since March 2016, although it had fallen 5.5% at closing time.

The Central Bank zeroed its growth forecast for 2020, citing the coronavirus’s economic impact and worse-than-expected economic indicators at the end of last year. The government lowered its forecast last Friday from 2.1% to 0.02%.

Economic measures

The government offered a line of credit to the amount of R\$40 billion (\$7.8 billion) for companies in distress that cannot pay their employees' salaries. The program is aimed at small and medium-sized businesses. A company that receives the money is prohibited from firing its employees. The Central Bank, the Ministry of the Economy, and the Brazilian Development Bank authored the initiative.

Yesterday, the Chamber of Deputies approved the so-called "corona vouchers" – emergency money for a three-month period destined for informal workers and single mothers supporting a family. The sum for workers not formally employed is R\$600 (\$117) and R\$1,200 (\$235) for mothers. The proposal still has to pass the Senate and then there are various bureaucratic problems to solve, like where people without bank accounts can go to receive the money.

The president of the Chamber of Deputies, Rodrigo Maia, urged the government to postpone tax payments for companies during the current crisis. In a video meeting with a business owners association, Maia said that "it's obvious that the government already should have done this."

Banking measures

According to *Folha de S.Paulo*, Brazilian banks are raising their interest rates, despite promises to be more considerate to companies due to the coronavirus crisis. The Brazilian Federation of Banks (*Febraban*) announced on March 16 that the country's five largest financial institutions were open to discuss a 60-day debt postponement. But executives of large and small companies, speaking with the newspaper, said that the major banks have raised interest rates in all areas of operation. In some cases, Triple-A rated companies have had their interest rates doubled.

In (almost) non-viral news

A judge of the Supreme Federal Court (equivalent to the US Supreme Court) suspended an article in Bolsonaro's executive order that affected the Freedom of Information Act. The article was part of Bolsonaro's executive order that was announced last Sunday. The act became highly unpopular because it contained an article that gave employers the right to rescind contracts for four months without paying salaries. The unpopular article was revoked the next day.

An article not revoked was related to the Freedom of Information Act. It prolonged the maximum time allowed for an information request to be carried out, alleging that with people working from home it takes longer. The measure was criticized for infringing on press freedom.

Enough reading for today. Take a relaxing weekend (at home) and we will be back on Monday!

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