



## Daily Brief on Brazilian Politics

March 31, 2020

# Bolsonaro is increasingly isolated in government and Congress

Finance Minister Paulo Guedes and Justice Minister Sergio Moro, as well as Vice-President Hamilton Mourão yesterday, have to some degree expressed support for health minister Mandetta and how he has handled the crisis. Bolsonaro has been frustrated by what he feels is a lack of support from officials in his government, and it does not seem as if Bolsonaro will back down and start to promote the guidelines of his Ministry of Health (and the WHO) that he has railed against. For now, the health minister still has his job, but in this tense climate it is hard to predict if the minister will remain in that position.

- As of Monday, there are 159 deaths from COVID-19, 23 more deaths than yesterday. So far, there are 4,579 confirmed cases of infection.
- Bolsonaro cancels his health minister's daily press conference after Mandetta said that states should continue with their containment measures, contrary to the wish of Bolsonaro. More of Bolsonaro's highest officials, as well as supporters in Congress, are supporting Mandetta in his technical approach to the epidemic.
- A financial support package for informal workers and head-of-household mothers — the "corona vouchers" — has passed in the Senate. The only thing missing is the president's sanction.



Bolsonaro and Health Minister Luiz Henrique Mandetta. Photo: [Isac Nóbrega/PR](#) (CC BY 2.0).

### **Bolsonaro cancels daily press conferences with the health minister**

President Bolsonaro decided to cancel daily press conferences with Health Minister Luiz Henrique Mandetta. The decision comes after Mandetta told states to continue with their isolation measures, including closing down non-essential services and prohibiting gatherings of people, and follow the recommendations of the Ministry of Health to contain the coronavirus.

The president disagrees with the measures taken by states such as Rio de Janeiro and São Paulo, instead urging all people who are not in a risk category to return to normal life. Bolsonaro has repeatedly called recommendations by the WHO, and his own health ministry, to stay at home “hysteria.”

Press statements from all ministries are expected to take place at the *Palácio do Planalto*, the presidential workplace, to show a united front and give the government more control over its messaging. The new directive was forwarded to all ministries.

Mandetta commented that the daily “reports,” as he called the press conferences that he has been giving since the beginning of the coronavirus crisis, will continue as normal, only in a “new format.” He explained that the situation goes beyond the competencies of the Ministry of Health, requiring wider coordination and control of action.

According to the newspaper *O Globo*, allies of Mandetta expect the conflict between the health minister and Bolsonaro to intensify in the coming days. The next two weeks will determine who is right and who is wrong. According to these allies, the minister has called the situation “unsustainable.” The Senate president, Davi Alcolumbre, advised him to hold out and keep working. The unanimous opinion among Mandetta’s advisers is that Brazilians trust the minister, according to the newspaper.

In the press conference held on Monday, Mandetta reiterated his recommendation that states maintain the containment measures already in place. Bolsonaro has criticized these measures for hurting the economy by going too far. As of Monday, 159 people have died from COVID-19 and 4,579 have been infected.

Bolsonaro’s minister of the *Casa Civil* – one of the most important posts, comparable to the US chief of staff – said that “the idea of firing the minister Mandetta” is non-existent “at the moment.”

On Monday, the president gave his view of the situation to supporters waiting outside the presidential residence, saying that “if jobs continue to be destroyed the way they are now, we will have other kinds of deaths for other reasons.”

Bolsonaro was asked the question why he does not want to follow in the footsteps of Donald Trump, a close ally to whom Bolsonaro is often compared. Trump recently extended social distancing guidelines in the US to April 30. Bolsonaro said he “would not discuss” the question, adding that “Brazil is different from any other country.”

The agribusiness caucus’s leader in the Chamber of Deputies – the lower chamber of Congress – said to *Folha de S.Paulo* that agribusiness will follow the health minister’s recommendation, approving of his technical and coherent approach.

“Everything is recoverable, but only for the living,” the caucus leader, Alceu Moreira, commented. “When everything has passed, we will work two extra hours, we will cancel our holidays for 2020.”

### **More viral drama**

President Bolsonaro is irritated with his justice minister, Sergio Moro, according to the newspaper *O Estado de S. Paulo*. Bolsonaro is to have described his minister as selfish and “only thinking about himself,” while complaining that Moro is not making enough effort to defend the president’s position on how to deal with the coronavirus, neither politically nor legally. On Saturday, for example, a campaign planned by the government called “Brazil cannot stop” was

prohibited by a federal court. The campaign called for Brazilians to return to work, against the advice of the Ministry of Health.

Such criticism might not appear out of character for the president, but Sergio Moro is his most popular minister. He is the judge that initiated the internationally known corruption investigations, collectively known under the name *Operação Lava Jato* (“Operation Carwash”). Many anti-corruption supporters who voted for Bolsonaro would most likely remain loyal to the justice minister even if Bolsonaro broke with him.

Bolsonaro’s finance minister, Paulo Guedes, said that the country could hold out under isolation for two or three months, but beyond that it would be necessary for people to return to work to not ruin the country.

“I, as an economist, wish that we could maintain production and return as quick as possible,” the minister commented, adding: “I, as a citizen, following the health people’s knowledge, on the other hand, want to stay at home and maintain isolation.”

### **The economy**

The latest Focus report from the Central Bank says that the market forecasts negative growth for 2020: -0.48%, compared to 1.48% estimated growth one week ago, and 2.17% growth four weeks ago. The stock market closed 1.65% up.

The Senate approved on Monday the so-called “corona vouchers” – emergency money for a three-month period destined for informal workers and head-of-household mothers. The sum for workers not formally employed is R\$600 (\$117) and R\$1,200 (\$235) for mothers. The president’s sanction is the only thing missing for the money to be released, but then there are various bureaucratic problems to solve, like where people without bank accounts can go to receive the money.

The National Treasury estimates that the public sector deficit for 2020 will be close to R\$400 billion (\$77 billion). The estimate is based on the financial support packages already approved to keep companies and jobs from disappearing, as well as the probable loss of government revenue due to the economic consequences of the crisis.

Half of Brazil’s listed companies have resources to survive three months without revenue, providing they can renegotiate all debt due in the period, according to a study by the economic research organization CEMEC-FIPE. Of the companies in the study, 23.3% would be in the red within the first 30 days, rising to 37.1% after two months, and 48.6% after 90 days. Half of the companies would have money to keep themselves afloat even after three months. (Keep in mind that these are Brazil’s most capitalized companies. For small and medium-sized companies,

the scenario is quite different.)

### **More viral news**

Rio de Janeiro's governor, Wilson Witzel, has decreed that the state will remain in quarantine until at least April 13. This means no events with larger gatherings of people, no tourist attractions, and commerce limited to services deemed essential.

A broad coalition of leftist parties, including the main opposition party (the Workers' Party, *PT*), has signed off on a letter that accuses Bolsonaro of being "an irresponsible president" who "commits crimes, falsifies information, lies and encourage chaos." The letter further condemns the president for being "the biggest obstacle to urgent decision making" needed to contain the coronavirus, to save jobs and companies, and to guarantee families' income. It also calls for Bolsonaro to renounce.

The president has little support in Congress for his campaign to get people to return to work and ignore the recommendations of the Ministry of Health and the WHO. The presidents of the Senate and the Chamber of Deputies have, contrary to the leftist coalition, opted for a strategy of isolating Bolsonaro rather than remove him from power.

Two weeks ago, a former ally of Bolsonaro, Janaina Paschoal, also called for the president to renounce. Paschoal came to office with 2 million votes, the most ever for a state deputy. She was one of the authors of the impeachment request that removed former President Dilma Rousseff from office.

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