Economy versus Society:
Is Economic Growth Enough?
A case study of Brazil

by Robin Montano and Dana Sookdeo

Economy versus Society: Is Economic Growth Enough?
A case study of Brazil

Executive Summary

Over the past twenty years, Brazil has demonstrated monstrous economic growth, with its Gross Domestic Product (GDP) increasing threefold. It has easily become the largest market in the Latin America and Caribbean region. However, in its pursuit of increased economic growth and a ‘developed’ status, the country has neglected its social responsibilities. As a result, Brazil has always been, and continues to be, one of the most unequal societies in the world, displaying large income and social inequalities. It therefore becomes evident that despite recording a high GDP, the true level of developmental success in Brazil is not as high as the metric leads us to believe.

Recent efforts of increased government expenditure and creation of programs and policies, geared towards addressing income and social inequalities, has proven to be insufficient and inefficient. With a great divergence in income classes, unsatisfactory education quality, and inadequate healthcare services, Brazil’s economic stability and social agenda are very off balance. On this account, this paper puts forth an economic model, Doughnut Economics, that holds the potential to correct this social and economic imbalance, in a manner that would propel forward, rather than hinder, Brazil’s developmental progress.

Table of Contents

Background/Diagnosis

For more than seventy years, the entire world has been fixated on achieving economic success, as being measured by a country's Gross Domestic Product (GDP). This fixation has often been used to justify inequalities, and has given birth to a global order where the wealthiest nations report the greatest level of income inequality and social instability. Though the Industrial Revolution brought with it great economic prosperity and new developmental ideas that would mould the world into what it has become, these very ideas are now responsible for the great divergence between higher and lower-income class.

From the 1960s, Brazilian policymakers had placed more emphasis on the importance of rapid economic growth, at the expense of the country's social progress on things like poverty, education and healthcare (Knight 1981, 1065). Brazil has since been employing economic policies oriented towards global integration and industrialization processes, becoming one of the world's largest emerging markets and economies - in line with Max Weber's modernization theory, which preaches the idea of transitioning from a pre-modern/traditional society to a modern society, categorised by urbanization and industrialization (Lerner 2000). These processes have been achieved through capitalist economic policies, as well as upgrading and transforming social institutions. Thus, modernization emphasizes the importance of 'modern' social, cultural, and economic practices. Globalization and construction of domestic government institutions are aspects of this developmental model that further make developing countries essentially follow in the footsteps of the developed states.

Brazil's prioritization of modernity, i.e. focusing on prioritizing economic growth, has generated setbacks in social progression, exacerbating income inequality, education and healthcare quality, as industrialization took the forefront of policy and decision making. Brazil continues to be a post-colonial state that has followed the developmental blueprint laid out by the Global North, but struggles with poor social conditions, and poor socio-economic issues, particularly high levels of income inequality and poverty.

In retrospect, it has often been argued that high levels of inequality are just a stop on the way to the destination of economic success. Simon Kuznets, creator of the Inverted-U hypothesis suggested that in the early stages of economic growth, the distribution of income will tend to worsen, only to improve at the later stages of development, when GDP has increased (Todaro and Smith 2015, 235). The inverted-U rapidly became an iconic economic diagram, especially in the budding field of development economics, where it supported the theory that poor countries should concentrate income in the hands of the wealthy as only they would save and invest enough of it to stimulate GDP growth. However, after decades of testing this hypothesis, economists soon realized that there was still no evidence that any single country had demonstrated rising income inequality and then successfully reported a decrease in income inequality at the later stages of development. In fact, new studies have shown that high levels of income inequality hampers economic growth due to exploitative market mechanisms, lack of professional opportunities, lack of social mobility, and lack of investment in human capital (Campos 2017; OECD 2014).

The Brazilian economy saw some socio-economic progress, between 2003-2014, in terms of reducing income inequality as demonstrated in the reduction of the Gini coefficient, which provides an index to measure inequality, from 0.581 to 0.515. However, the pace of this reduction in inequality has been very slow and there is still much work to be done. Despite the fact that the Brazilian economy is one of the largest in the world, there continues to be a large gap between the country's richest and poorest, recording one of the highest economic inequalities in the world (Oxfam International n.d.).

Prioritization on policies geared towards economic success have resulted in high levels of poverty, which are closely linked with high levels of inequality (Gould 2014). Even though it is often said that increasing GDP is the answer to eradicating poverty, an empirical study done by Matilda Dahlquist (2013) showed that while economic growth does indeed reduce poverty levels, it is not enough. Well designed policies and investments in education are needed to obtain an inclusive, pro-poor growth and thus reduce the level of extreme poverty. Similarly, scholars agreed that economic growth was not enough in totally eradicating poverty when conducting a study on the Malaysian economy (Mulok, Kogid, Asid et. al 2012).

With the largest population size in Latin America, Brazil also has the largest GDP, and spends approximately 15 percent of its government expenditure on both education and health, as per the World Development Indicators. Despite this, studies have since proven that Brazil's current expenditure in social fields like health and education have produced a great sense of dissatisfaction among the people (Kim, Blendon, Benson 2013; Schwartzman 2006), implying that government spending in these sectors are grossly inefficient. Similarly, Kim et. al (2013), pointed out in their study that as much as 67 percent of interviewees reported great dissatisfaction in healthcare quality. To add to this, Schwartzmann (2006) noted that the problem with education in Brazil is not availability and accessibility, but rather the quality available and the retention policy. This further demonstrates that social government expenditure on both education and health sectors is misdirected and needs reorientation towards a more balanced approach.

This paper seeks to expose the imbalance between Brazil's economic policy and social agendas, highlighting how desired economic growth has negatively affected income inequality as well as education and health sectors. Moving forward, the Brazilian socio-economic statistics over a 20 year period (1999-2019) will be discussed and analysed, to further understand the economic and social climate of the state. Using the results of this analysis, it will be demonstrated that a healthy GDP does not accurately depict national success, contrary to the practices of modern policy and decision makers. As a result, this paper recommends an economic model, Doughnut Economics, and further policy recommendations that challenge our understanding of national success and ought to stabilize the social agenda with economic policy.

Analysis

Gross Domestic Product

“GDP is not a good measure of progress. It fails to account for the multi-dimensional nature of development”- Andre Castro

Some might say that Brazil’s economic rise has been almost miraculous. It has demonstrated monstrous economic growth within the 20th and 21st centuries and in the last twenty years alone, its GDP has more than tripled from USD$599.39 billion in 1999 to USD$1.84 trillion in 2019. However, Brazil entered the twenty-first century facing a high degree of uncertainty and instability due to its focus on foreign investment, which caused the domestic economy to experience disastrous effects (Medialdea 2013, 443). To Brazil’s benefit, its trading relations with China amongst other factors were able to kick-start its prosperous journey towards economic growth. A few years later, its GDP increased from $507.96B USD in 2002 to $1.397T USD in 2008. Fast forward to the 2008 Global Financial Crisis, the Brazilian economy was able to successfully navigate through this downturn thanks to the economic discipline demonstrated by policymakers. In fact, the economy was able to record GDP growth of 5.09 percent (World Bank Data Bank 2008). This could perhaps be attributed to the policies implemented under the elected political leader at the time (President ‘Lula’), who made economic growth a top priority and stimulated the economy through tools such as government spending, job stimulation and development of natural resources

Source: World Bank Data Bank

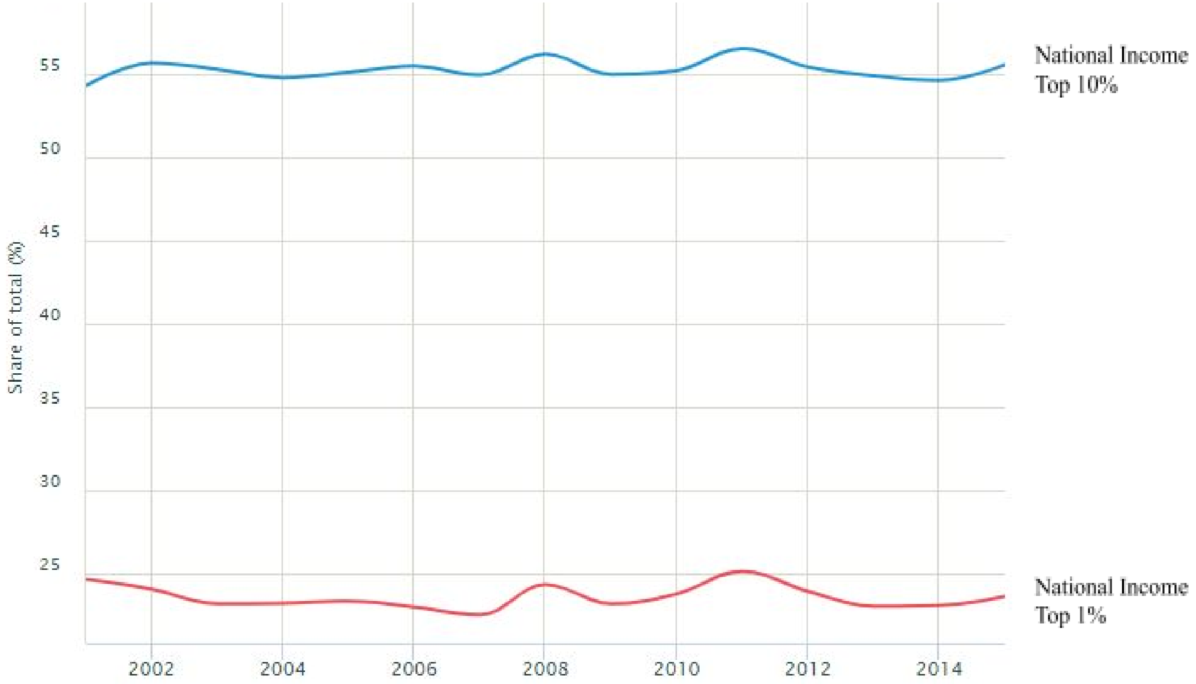
From the graph above, even though there has been evident fluctuations in Brazil's GDP, it continues to be one of the world's richest economies. Brazil has been praised for its economic success, where some even referred to them as a miracle (Amann and Baer 2012, 412). However, in a society where inequality is deemed one of the highest in the world and poverty is chronic, using GDP as a metric of success is becoming increasingly scrutinized.

<u>Income inequality</u>

"How do we tackle poverty?"- A question often headlined in many books, and asked by economists, policy makers, students and various other professions in the realm of development. To make a comparison, what hinders a crop from thriving are weeds. However, when removing a weed, it is illogical to simply cut off the top of the weed but instead, you pull it out from the roots, i.e., addressing the root of the problem. In a similar sense, what hinders the development of an economy are high levels of poverty. Therefore, when tackling the issue of poverty, it is only logical to tackle the root of it; the causes of poverty. Inequalities have always been a leading cause of poverty around the world and according to economist Paul Krugman, they are one of the main causes of persistent poverty.

Brazil's Gini coefficient places the country amongst the most unequal societies on the planet, despite its economic successes. Though Brazil's Gini coefficient has decreased from 0.59 in 1999 to 0.533 in 2017, its inequality still ranks amongst the highest in the world. According to the OECD, a Gini coefficient of 0.5 or more indicates a highly unequal society and while it can be noted that there continued to be a decreasing trend for the Gini coefficient, this does not paint the entire story accurately. From the graph below, it is seen that in the Brazilian economy, the richest one percent, earned 24.6 percent of the country's income in 2001, and 23.6 percent of the country's national income in 2015 (World Inequality Database). Despite the top 1 percent recording a 1 percent decrease in their share of national income, the wealthiest top 10 percent increased their share of national income by 1.3 percent in the same period, going from 54.3 percent in 2001, to 55.6 percent in 2015.

This suggests that even though Brazil has implemented several redistribution policies like increases in minimum wage, expanded coverage of monetary benefits and expansion of the social protection system, it has proven itself to be ineffective in the long run. In the end, while some wealth has been redistributed, it can be concluded that it was not effectively redistributed to the targeted members of society, i.e. the low-income class.



Source: World Inequality DataBase

Progress in societies can be easily sabotaged by a high Gini coefficient and it has been found that more equal societies, despite its GDP, are found to be happier and healthier. Reinforcing this point, Richard Wilkinson and Kate Pickett (2009) discovered that it is a nation’s inequality, not its wealth, that most influences social welfare and poverty and that more unequal countries often experience a higher rate of crime, mental illness and drug use. When an economy is highly unequal, it also unravels a thread of problems including lack of professional opportunities, less social mobility and snatching educational attainment and skills development from the middle to lower income classes. To this end, it is certainly clear that high income inequality has many damaging effects to an economy and can hamper economic growth. These realizations should send a powerfully important message, especially to policymakers in today's low- and middle-income countries, as it contradicts the 'no pain, no gain' myth that the Kuznets Curve emphasizes. Notably, while Brazil's GDP has skyrocketed over the past twenty years, its income inequality has been slowly decreasing, certainly at a pace that is not fast enough.

Through analysis of Brazil's economic policies over time, it is evident that they are geared mainly towards economic growth and concentrating wealth in the hands of a few, as opposed to effectively decreasing the income inequality levels. This is perhaps due to the notion that traditional development economics put forward, that developing nations must record high levels of income inequality in order to achieve economic development in the long run. Is Brazil's high rate of income inequality justified by the Kuznets inverted-U hypothesis and are its policies in line with modernisation? Or is income inequality simply hampering economic development? The answer is clear from the country's high GDP, yet having poor social conditions, while ineffectively attempting to decrease its income inequality. It suggests that high income inequality should no longer be justified by the inverted-u hypothesis, but should be looked at as a weed hindering the fruitful bearings of the economy.

Education and Health

"People are the center of development"- Amartya Sen

Education and health are both vital elements of any prosperous economy and are often looked at as joint investments for economic growth and development. Two sides of the same coin, greater investment in health plays a vital role in the formal education attainment, while investing in education can increase the return on investment in health since health programs and, by extension, a healthy society are driven by educated individuals.

Brazil has demonstrated a fundamental understanding in the importance of these two sectors and have correspondingly invested into them. In fact, in 2015, government expenditure on the education and health sectors totalled about 15 percent of total government expenditure as a percentage of GDP, and has continued demonstrating an upward trend (World Bank Data Bank). However, scholars have pointed out that funding in these respective sectors has been ineffective and poorly targeted. At the United Nations SDG 4 (quality education) review in 2020, Brazil failed to participate, citing setbacks along with poor teaching conditions that created an environment where many students could not learn and exacerbated issues of illiteracy. Schartzman (2006), in a case study on challenges in Brazil's education system, found that many students were studying below their systematic level, implying that the issue is not necessarily educational attainment, but more so, the quality of education being delivered.

Additionally, there are significant educational issues surrounding equity and inequality in the education system. Brazil is a multi-racial society, yet it is also a society that has demonstrated a major gap between ethnic groups. Despite the rapidly growing Afro-Brazilian population, the nation's demographic is often classified as white and "non-white", a distinction that has proven to yield significant links to income, health, and educational opportunities. Due to lingering effects of colonialism, the "non-whites" in Brazil tend to be poorer, live in poorer neighbourhoods, and have less educated parents (Schartzman 2006). Consequently, following the assumption that public schools in poorer regions are also worse in quality, middle- and upper-income class families access better quality education institutions and proceed in life with a better educational advantage than the low-income class. Meanwhile, children who come from low income families are 46 percent more likely to drop out of school at an early age, as opposed to those who come from a high-income family (Copenhagen Consensus Center n.d). This is partly due to children often being forced to work at early ages, in order to financially support their family, leaving the poorer families more vulnerable to lower quality education that can result in high rates of class retention or dropouts. In this regard, Langoni (1973) states that education is not only one of the factors contributing significantly to social inequality, but income inequality as well. Thus, the poorer population in Brazil - which makes up a majority of the national population - are more prone to experiencing poor quality teaching and class retention in their educational career. Therefore, despite increased government expenditure on education, the resources remain inefficiently allocated and are going to waste by leaving retention policies and quality unaddressed. Since countries that have developed socially and economically, have invested to address educational inequalities and deliver a high quality of education, Brazil's educational policies should focus on delivering a good quality of education to individuals, if it were to achieve a "developed" status.

Though, while focus should be placed on investing in human capital through education, heavy focus should also be placed on investment through the other avenue of human capital; health. Amid the COVID-19 pandemic, vulnerabilities in Brazil's health sector have become visible. Ranking second in the world with the most confirmed cases, and accounting for 1/8th of total COVID-19 deaths, it is safe to say that the pandemic has shaken the nation ("Painel Coronavírus" 2020). A local Brazilian newspaper even released a statistic citing that "one health professional is infected with Coronavirus every minute in Brazil" (Lopes 2020). These statistics reveal that healthcare quality and accessibility is greatly disappointing in its production of quality results. According to the Inter-American Development Bank (2018), Brazil spends more on health and education than any other Latin American country, yet this expenditure does not translate into good performance indicators, such as a low life expectancy and healthcare accessibility compared to other Central and Latin American nations.

Inequalities persist within the health sector as well. Gender, age, education, neighbourhood and income class are all indicators that have been linked to health vulnerability and poor quality healthcare service experiences in Brazil. As confirmed by a study, it was found that women, individuals over the age of 55, individuals that did not complete their education, and individuals who live in poorer regions, are more likely to report having more than one non-communicable disease (Malta, Bernal, de Souza et al. 2018). These structural and systematic inequalities lead to a powerful disincentive for these segments of society, particularly the illiterate and the poor, to utilize the provided healthcare services. Large government investment into the sector has made health services basically universal, yet, with a large portion of the adult population underutilizing these services, much of the efforts seem to be wasted. Thus, these facts indicate that there is a necessity to reduce inequality in healthcare access, as well as healthcare utilization. In order to do so, scholars have suggested expanding services to more vulnerable segments of society, improving the quality - not quantity - of healthcare services, and most importantly, promoting healthier behaviours (Malta et al. 2018).

Conclusion

Following Kuznet's Inverted-U hypothesis, economic growth and GDP may be considered accurate indicators for a country's development; as industrialization occurs, inequality rises, however, once the society has industrialized, inequality is supposed to decrease. In this regard, it is implied that an increased GDP means that an economy has developed and thus, achieved economic success. However, using GDP as an indicator of a society's developmental success simply obscures the damning persistence of social inequalities within the society.

Brazil's economic success allows it to record the highest GDP in the Central and Latin American region. Yet, it also records one of the highest Gini coefficients globally and places within the top ten most unequal societies in the world. Even though it has recorded a slight decrease in its Gini coefficient within the past twenty years, the wealthy top 1 percent in society recording a decrease in their share of national income by 1 percent, is countered with the share of national income in the wealthy top 10 percent increasing by 1.3 percent. Meanwhile, poverty continues to be a pressing issue and has been on the rise since 2014. This demonstrates that Brazil's policies geared towards reducing inequality and alleviating poverty are proving to be ineffective and inefficient.

Consequently, social welfare in Brazil suffers at the expense of economic growth. The manner in which resources are allocated to education and healthcare provision are highly inefficient as the government has simply aimed to increase the quantity of academic institutions, rather than the quality. Education quality continues to be at a very low standard, with existing high drop out rates amongst primary and secondary level students with the rest receiving a very poor quality of teaching which in turn, further exacerbates income and social inequality.

Healthcare also continues to disproportionately exclude specific vulnerable segments of society, such as low-income households, women, and older people. Researchers found that poor quality, as well as inequitable access and treatment, at health service facilities has disincentivized a significant portion of the adult population from using the services provided. Brazil’s universal health care system thus operates at an underutilised and inadequate level with as much as 67 percent of the Brazilian population reporting dissatisfaction with available public health care, despite large amounts of government spending. The efficiency of the healthcare system can be considered unsatisfactory for a nation with Brazil’s level of economic wealth.

As demonstrated above, a persistent trend of economic growth, and thus a rising GDP, merely measures the size of the Brazilian economy, but does not consider the degree of inequality and social welfare among the citizenry... in fact, focusing on GDP may have an adverse effect on social welfare. Many of the referenced scholars have indicated that, despite Brazil’s rapid economic growth, inequality remains high, and government expenditure remains inefficient. Despite the fact that expenditure on education and health has been steadily increasing, we can conclude that increasing national income and expenditure in the manner Brazil has, is not an adequate solution to correcting existing social issues and inequalities, but instead hampers its developmental progress.

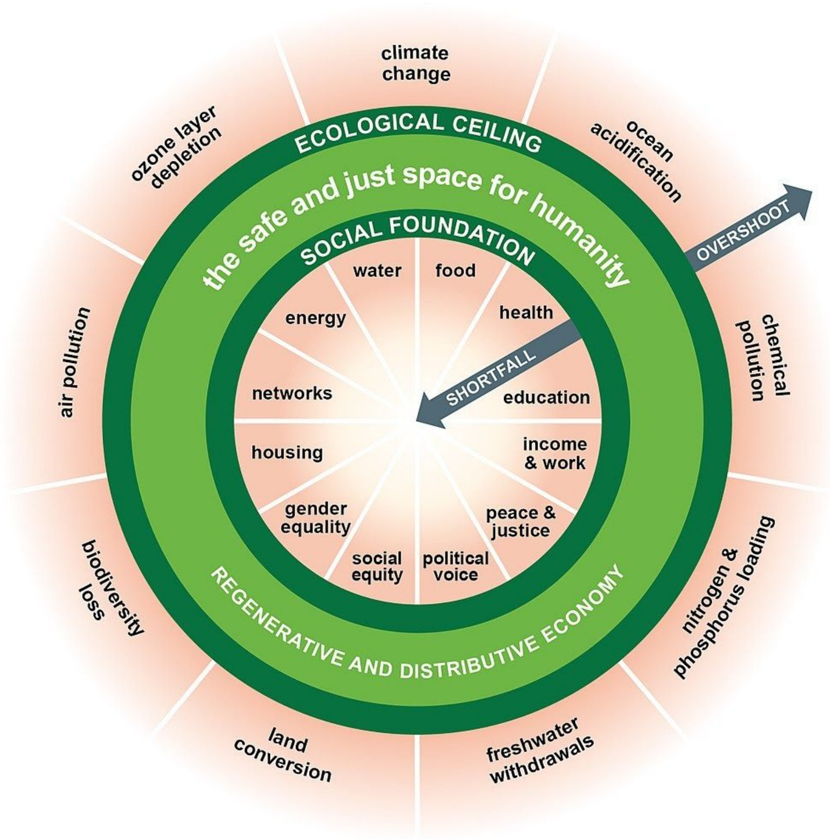
Recommendations

"It is time for the Great Reset"- World Economic Forum

The COVID-19 pandemic has brought with it great disruptions in economic progress and social justice, and has completely ripped apart our understanding of economic success. We are now bearing witness to some of the richest developing countries' social and economic inequalities being exposed, and the overstated level of development is standing in the spotlight.

Brazil is a leading example of this, and as a result, it is time for the great reset. Therefore, this paper recommends that Brazil, along with the rest of Latin America and the Caribbean, reconsider whether economic growth and a high GDP, is a true measure of success. It is critical that this time be used for creative, and generative ideas to be implemented across the region, and thus help economies succeed sustainably. It is time for a radical transition from a traditional linear economy, to a circular one. Putting forward certain aspects of an economic model that thrives on sustainable development, the ***Doughnut Economics*** model. This model puts forward that economies should aim to operate in a space that is safe and just for humanity, while respecting the planetary boundaries. It therefore serves as a framework for sustainable development and reinforces the idea that Gross Domestic Product is not an accurate depiction of developmental success, but rather suggests that a good social foundation is a more appropriate avenue of measuring development. Creator of this model, Kate Raworth, puts forward that an unequal society hinders economic growth, and goes against the inverted-u hypothesis (Raworth 2013, 139). She instead suggests that an economy should aim to thrive rather than simply attain economic growth, by placing human well-being at the very core. Once there is human well-being, the economy will be more likely to engage in more production, and generate more output, thus sustainably developing. Doughnut Economics thus embraces Amartya Sen's idea, that "people are the center of development," and implies that an economy which focuses on human well-being will record higher levels of economic growth and development rather than following traditional economic models which state that a high GDP will reduce inequalities.

The Doughnut Economics model is applicable to all Latin American and Caribbean countries who have placed greater emphasis on economic growth rather than the social foundation of the economy. In this regard, implementing policies that place great emphasis on human well-being can possibly bring about further progress in its developmental status.



<u>The Doughnut Economic Model</u>

How can this specifically be applied to Brazil's Economy? This paper described three segments of Brazilian society that require significant attention, which the Doughnut Economics model can address: income inequality, education, and health.

Firstly, the model emphasizes that the economy should be designed to distribute. In this regard, income inequality must be addressed effectively. The COVID-19 pandemic has plunged the world into a deep recession and therefore, recessionary measures must be taken by Central Banks. It is a universal practice for Central Banks to engage in trading bonds as a mode of monetary policy to stimulate the economy, however, following the Doughnut Economics model, this paper recommends issuing new money to indebted households as a stimulative measure instead. This measure, known as 'People's Quantitative Easing', would benefit indebted households, rather than inflating the price of bonds which usually benefits the wealthier classes, exacerbating inequality during a deep recession (Raworth 2013, 152). Additionally, the performance of an economy largely depends on the success of small and medium enterprises (SMEs). It has been found that investment into SMEs supports sustainable economic development, leveraging promising local businesses to drive socio-economic growth and entrepreneurship in domestic communities ("Defining SME Investing: Small and Medium Enterprise Investing" 2019). As such, making financing more accessible and consumer friendly is another policy recommendation geared towards reducing income inequality, and promoting socio-economic growth. This can be achieved through a lowering of loan interest rates and increasing of interest period durations, in order to further incentivize utilization, as well as encourage entrepreneurship. Furthermore, an equitable society is aided greatly by a progressive taxation system. Brazil has implemented such a system but it contributes little to reducing inequality. It is noted that indirect taxes paid by the poor are usually higher than the transfers they may receive, thus contributing to larger inequalities. In this regard, adjusting the taxation system in such a way where it benefits the poor would lessen inequalities significantly. This can be done through tax reforms that lessen the rates of value added tax, since the taxes on consumption often tend to counteract the effect of cash transfers to the poor.

Secondly, the Doughnut Economics model also emphasizes the importance of education, as it is one of the core elements that leads to a thriving economy. Considering the high degree of expense in, and the low quality of, Brazil's education system, it is critical to use policies that are not aimed at educational enrollment, but rather, policies directed towards ensuring a higher quality of education. Even though Brazil spent 5 percent of its GNP on education, which places it amongst nations like

Spain, Italy, and Japan, this expenditure is significantly inefficient, and strongly biased towards higher education (Schwartzman, 2006). In this case, what needs to be done firstly is a redirection of public spending on education away from higher education and towards basic education, which is an area of the sector that receives high enrolment, poor quality, and consequently, high dropout rates. Alternatively, Brazilian policymakers may want to consider raising public spending in the education sector to accommodate fundamental education needs, whilst maintaining the level of spending on higher education; thus, placing its level of spending on education among nations like Canada and the United States. Additionally, the spending needs to address quality and not accessibility. The most sustainable and effective way of doing this is through investing in higher quality teachers. Increasing teachers' pay and/or benefits, investing in training programs and raising the criteria to be eligible to teach in public education, ought to catalyze better quality teaching, and consequently resolve many issues within the sector. A combination of either of the recommended policies would, thus, reduce dropout rates, raise quality of education, and as a result, tackle issues of inequality.

Finally, quality and accessibility represent two of the most common complaints among Brazilians when referring to the healthcare sector. It was found that a majority of Brazil's adult population is greatly dissatisfied with the quality of healthcare that is being provided to them. Additionally, it was also found that particularly vulnerable segments of society - such as the poor, women, and older people - experience difficulty in terms of accessibility to adequate healthcare. In this regard, public spending on the health sector ought to be invested into improving access to health-related resources, both for health facilities and civilians. Upgrading medical equipment and ensuring that public facilities are regularly well stocked, will lead to increased quality of healthcare, as well as a reduction in dissatisfaction and distrust. Additionally, approximately 15 percent of Brazil's adult population underutilises existing services. Thus, public campaigns promoting healthy behaviours and the health-related resources available within respective communities ought to significantly improve the level of healthcare service utilisation. Promotion of healthy living and available resources compounded with improved resource quality can help resolve the inefficiency of current government expenditure within the health sector. This can be done through planning tools (prompts) implemented by the government through behavioural economic policies that aim to nudge individuals to invest their time and resources into their health.

Notably, the policy recommendations described above suggest an increased level of public spending in their respective sectors. In order for this to be possible, it is recommended that the government of Brazil redirect government expenditure from major economic sectors to make up the numbers. Some examples where some funds may be redirected from could be the mining, agriculture, or manufacturing sectors. Although finances do not have to be taken from these sectors necessarily, it would have less of a negative social impact if funds were redirected from sectors of large investment such as the examples listed.

Limitations

The limitations of this study are as follows:

1. The Doughnut Economics model requires a great amount of institutional reform, which will be expensive and time consuming, and can be very difficult to implement. While the model has the right concept of placing people at the center of development, it neglects to place emphasis on GDP and other economic factors that are considered necessary for development to take place. Additionally, the model's goals also may not be consistent with the agenda of the incumbent government.
2. While the Doughnut Economics model can be applicable to the Caribbean region, it must be noted that on an individual basis, these countries may not have sufficient resources needed for implementation. It would therefore require effective regional integration to successfully adopt the model.
3. Funding various social welfare programs and increasing government expenditure on education, health, and income inequality are expensive projects that account for a significant portion of government expenditure. Recommendations that would require a further increase in spending to target these sectors are stonewalled by the fact that money is a scarce resource, and investment is prioritised for economic fields of interest. In order for the central bank to maintain a stable and growing economy, as it has been, sourcing the necessary funds for these projects may prove to be politically challenging.
4. Recommendations of adopting certain aspects of the Doughnut Economics model, and implementing policies aimed at increasing the quality of life of the citizens, may have negative short-term economic impacts.
5. This study was aimed at highlighting the imbalance between Brazil's social and economic agendas. However, it failed to highlight that in the midst of this, some developmental progress, although minimal, was made by the country in terms of mortality rates, life expectancy, literacy, educational enrolment and poverty.

References

Amadeo, Kimberly. "How to Ruin an Emerging Market Success Story." The Balance. Accessed August 29, 2020. https://www.thebalance.com/brazil-s-economy-3306343.

"Brazil." Data. Accessed August 29, 2020. https://data.worldbank.org/country/brazil.

"BRAZIL AND ITS LACK OF QUALITY EDUCATION." UEL. May 22, 2013. Accessed August 29, 2020. https://letrasinglesuel.wordpress.com/2013/05/22/brazil-and-its-lack-of-quality-education/.

"Brazil: Extreme Inequality in Numbers." Oxfam International. October 20, 2019. Accessed August 29, 2020. https://www.oxfam.org/en/brazil-extreme-inequality-numbers.

"Brazil Perspectives: Education." Brazil Perspectives: Education | Copenhagen Consensus Center. Accessed August 29, 2020. https://www.copenhagenconsensus.com/publication/brazil-perspectives-education#:~:text=Another problem for Brazil is,have good basic educational statistics.&text=Only 88.7% complete basic education,poor, reflecting poor school quality.

"Brazil - WID - World Inequality Database." WID. Accessed August 29, 2020. https://wid.world/country/brazil/.

Campos Economist, Anna, Teresa Gil Pinheiro, Oriol Aspachs 10 Jul 2020, Oriol Aspachs, and Álvaro Leandro Àlex Ruiz 9 Jul 2020. "How Does Inequality Affect Economic Growth?" CaixaBank Research. January 16, 2020. Accessed August 29, 2020. https://www.caixabankresearch.com/en/economics-markets/activity-growth/how-does-inequality-affect-economic-growth.

"Coronavírus Brasil." Coronavírus Brasil. Accessed August 29, 2020. https://covid.saude.gov.br/.

Dahlquist, Matilda. "Does Economic Growth Reduce Poverty?" Sodertorns University. 2013. Accessed August 29, 2020.

"Defining SME Investing: Small and Medium Enterprise Investing." SEAF. May 21, 2019. Accessed August 29, 2020. https://www.seaf.com/defining-sme-investing/#:~:text=The SME Opportunity,SMEs supports sustainable economic development.&text=SME investment leverages promising businesses,in local communities and markets.

DO. Abegunde, CD. Mathers, BB. Duncan MI. Schmidt, MBA. Barros, CS. Gosch DC. Malta, OL. Morais Neto DC. Malta, R. Magnusso R. Bonita, DC. Malta CL. Szwarcwald, MPS. Freitas PRB. Souza-Júnior, M. Ferrer J. Alonso, CLG. Cesar MBA. Barros, DL. Matos MFF. Lima-Costa, E. Faerstein D. Nogueira, SV. Peixoto MFF. Lima-Costa, JS. Schiller M. Lethbridge-Cejku, AE. Kunst JAA. Dalstra, G. Mazzaglia C. Cricelli, CL. Szwarcwald MM. Theme-Filha, A. Karan A. Mahal, A. Sen, CW. Looman JP. Mackenbach, J. Figueroa-Munoz M. Gulliford, SR. Stopa DC. Malta, G. Bellido Jaime F. Viacava, TP. Oliveira DC. Malta, AG. Fassa RD. Meucci, DI. Rubin, SSCA. Andrade MM. Oliveira, CM. Costa P. Frazão, L. March D. Hoy, SV. Subramanian S. Vellakkal, RTI. Bernal DC. Malta, RB. Barata MCSA. Ribeiro, and LH. Urban Y. Okura. "Social Inequalities in the Prevalence of Self-reported Chronic Non-communicable Diseases in Brazil: National Health Survey 2013." International Journal for Equity in Health. January 01, 1970. Accessed August 29, 2020. https://equityhealthj.biomedcentral.com/articles/10.1186/s12939-016-0427-4#Sec5.

Loman Rabobank KEO 31 30 21 62666 E-mail Economics@rn.rabobank.nl, Herwin. "Brazil's Economic Model: In Need of a Revamp." RaboResearch - Economic Research. Accessed August 29, 2020. https://economics.rabobank.com/publications/2014/january/brazils-economic-model-in-need-of-a-revamp/.

Folha. "One Health Professional Is Infected with Coronavirus Every Minute in Brazil." Folha De S.Paulo. August 25, 2020. Accessed August 29, 2020. https://www1.folha.uol.com.br/internacional/en/scienceandhealth/2020/08/one-health-professional-is-infected-with-coronavirus-every-minute-in-brazil.shtml.

"IDB GROUP STRATEGY WITH BRAZIL 2019-2022." June 2019. Accessed August 29, 2020. http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=EZSHARE-750030607-12.

"Inequality Hurts Economic Growth, Finds OECD Research." OECD. Accessed August 29, 2020. https://www.oecd.org/newsroom/inequality-hurts-economic-growth.htm.

J. Paim, C. Travassos, ML. Barreto CG. Victora, MF. Lima-Costa J. Macinko, BB. Duncan MI. Schmidt, PR. Souza Junior MM. Theme Filha, JG. Valente C. Leite Ida, BP. Iser DC. Malta, SR. Stopa DC. Malta, MH. Abreu M. Costa Sde, MPS. Freitas PRB. Souza-Júnior, RB. Barata MCSA. Ribeiro, M. Martins C. Travassos, WJ. Thomas R. Penchansky, MF. Harris JF. Levesque, F. Viacava C. Travassos, T. Powell-Jackson EK. Ansah, L. Schwarzkopf M. Hunger, JG. Bellido F. Viacava, PR. Souza-Júnior CL. Szwarcwald, F. Viacava C. Travassos, and MC. Ribeiro ZP. Silva. "Inequities in Healthcare Utilization: Results of the Brazilian National Health Survey, 2013." International Journal for Equity in Health. January 01, 1970. Accessed August 29, 2020.

https://equityhealthj.biomedcentral.com/articles/10.1186/s12939-016-0444-3#Sec8.

Kim, Minah, Robert Blendon, and John Benson. "What Is Driving PeopleÕs Dissatisfaction with Their own Health Care in 17 Latin American Countries?" What Is Driving People's Dissatisfaction with Their Own Health Care in 17 Latin American Countries? Accessed August 29, 2020. https://onlinelibrary.wiley.com/doi/epdf/10.1111/j.1369-7625.2012.00777.x.

Lerner, Daniel. "The Passing of Traditional Society (1958)." 2000. Accessed August 29, 2020.

Nemati, Morteza, and Ghasem Raisi. "Economic Growth and Income Inequality in Developing Countries." International Journal of Life Sciences. Accessed August 29, 2020. https://www.nepjol.info/index.php/IJLS/article/view/12743.

"Overview." World Bank. Accessed August 29, 2020. https://www.worldbank.org/en/country/brazil/overview#3.

"Poverty, Inequity and the Potential of Brazil's Public Schools." Financial Times. February 18, 2019. Accessed August 29, 2020. https://www.ft.com/content/62dfe12a-32e9-11e9-bb0c-42459962a812.

Raworth, Kate. "Doughnut Economics: 7 Ways to Think like a 21st-Century Economist." March 29, 2018. Accessed August 29, 2020.

S.Paulo, Folha De. "Brazil's Super-rich Lead Global Income Concentration." Brazil's Super-rich Lead Global Income Concentration - Brazil - Global Inequality - Folha De S.Paulo. Accessed August 29, 2020. https://temas.folha.uol.com.br/global-inequality/brazil/brazils-super-rich-lead-global-income-concentration.shtml#:~:text=Based on data combining door,all sources of income included.

"Study Reveals Rising Poverty and Inequality in Brazil over Last Four Years." Portal FGV. September 10, 2018. Accessed August 29, 2020. https://portal.fgv.br/en/news/study-reveals-rising-poverty-and-inequality-brazil-over-last-four-years.

Written by Gemma Corrigan, Lead. "Is Brazil Making Progress on Inequality?" World Economic Forum. Accessed August 29, 2020. https://www.weforum.org/agenda/2015/09/is-brazil-making-progress-on-inequality/.