

Brazil Build Back Better

Principles for a Brazilian Economic Recovery



**WELLBEING
ECONOMY**
ALLIANCE



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Introduction

COVID-19 and the Brazilian Reality

The COVID-19 pandemic revealed innumerable structural and systemic flaws that aggravate and perpetuate the historical problems faced by Brazilian.

In the face of the imminent danger of another economic collapse, the Brazilian people, are now more experienced and aware than in the past. They are beginning to dream and rethink the way we see our economy in order to meet the needs of people, while respecting the boundaries of the planet.

The Wellbeing Economic Alliance (WEAll), which translates to “*Aliança pela Economia do Bem-Estar*” in Portuguese, is a global entity that brings together efforts within multiple sectors of the economy which are working to develop a system beyond the conventional model of growth, towards a common vision of a society focused on human and ecocentric ideals.

Within and beyond this movement, the concept of “Build Back Better”, which translates to “*Reconstruir Melhor*”, in Portuguese is gaining momentum worldwide. It refers to pathways for a regenerative and inclusive economic recovery.

WEAll outlines five non-negotiable principles that define the collective vision of the “Wellbeing Economy”. These are:

Dignity: Everyone has enough to live comfortably, safely, and happily.
Ecocentrism: The natural world is restored and preserved for all forms of life.
Connection: Nurturing a sense of belonging and developing institutions that serve the common good.
Justice: Justice in all of its dimensions of life at the center of the economic system, substantially reducing social inequalities.
Participation: Citizens more engaged in their communities and in developing local or regional economies.

With our eyes on the realities of the Global South, we propose the Brazilian version of a “Build Back Better” campaign which is inspired by the principles of Regeneration, Community, Systemic Thinking, and Wellbeing.

Strategically aligned to these fundamental values are the 17 Sustainable Development Goals (SDGs) of the United Nations (UN), which are as an important communication tool in the methodology of this briefing paper. Our purpose is to converge efforts to achieve the SDGs via public policies that are construed from a triple bottom line perspective; economic, environmental, and social, as well as aligned with the contexts that reflect our interdependence, resilience, and vitality.

We understand that this briefing paper does not list or address all of the countless challenges facing Brazil. However, we highlighted those we consider to be most urgent. Finding solutions to the essential issues of each of these challenges should prove to be a virtuous circle of healing, with deep consequences in a variety of areas, especially the most pressing areas of health, education, and reduction of social inequality. This briefing paper presents feasible and necessary ideas that could form the backbone of a Brazilian “Build Back Better” movement, in the light of principles outlined below.

Principles and Policy Examples

1) Regenerative Development

Brazil has the potential to be a global leader in nature-based solutions, bringing regenerative design to the centre of public policy making. In order for this to happen, we need to feel that we are part of nature again, developing legal frameworks that promote, organise, and reimagine ecological matters in our national territory.

Regenerative development must be based on a tailor-made approach for different contexts, understanding that the physical, biological, and social characteristics of each region of the country should guide decision-making processes by policy makers.

Nature protection laws should be widely regarded as a safe and reliable regulatory pillar of a country. The concept of the “commons” is a foundational part of this thinking. The environment is a collective treasure, which communities are linked to spiritually and physically. Therefore, countries should put in place systems of governance that are in harmony with these ideals. Guided by this principle, and considering traditional and indigenous communities, the country must seek to reconcile its relationship with the First Nations of these lands. We must then seek to reverse and mitigate the damage done to the ecosystems that used to thrive here, guided by the ancient wisdom of these First Nations peoples.

To regenerate is to foster new life and to promote the emergence of a new spirit. We must recognise our historic debts to the land and its people, redefine our purpose as a nation, and commit to caring for all aspects of our nation's identity, if we are to pave the way for regenerative development.

Policy examples:

Approval of the National System for Payment for Ecosystem Services.

Development of regulatory frameworks for the reduction of emissions from deforestation and degradation (REDD+).

Expansion of public and private investment to scale agroforestry systems, as well as encouragement and development of the existing network of smallholders and indigenous communities already practicing agroecology.

Approval of a regulatory framework for the National Bioeconomy Policy.

Development and implementation of the Basic Sanitation Regulatory Framework.

2) Climate Emergency

The Brazilian Build Back Better movement is strategically connected to the more ample “Green New Deal”, which vehemently opposes the status quo that contributed to the climate emergency we face. We propose a new model of socioeconomic development which involves the implementation of a set of public policies to mitigate the effects of the climate crisis, as well as innovative programs with a triple bottom line impact, incentives for renewable energy, development of regenerative agricultural practices, among others.

In the area of urban planning, we need to bring climate resilience to the centre of discussions, incorporating climate risk-assessments into the urban planning of cities and also to the centre of regenerative design in urban centres.

Often, climate change and its impacts are viewed purely from an environmental perspective and seen as a matter of degradation of nature, this is to say, only considering its physical/biological impacts. However, this view of climate change creates a symbolic disassociation from the societal context in which it is inserted. The concept of climate justice reconciles the ethical considerations of climate change with the environmental ones, and is a cornerstone of the approaches needed to address contemporary environmental challenges.

This concept highlights the need to recognise the social consequences of climate change and to understand social inequality in Brazil, especially in peripheral communities such as in north-eastern Brazil. Climate justice addresses the effects of social and racial inequality in our society. The concept of “Build Back Better” is intertwined with the historical reparation to the afro-descendant and indigenous populations, understanding their position of vulnerability under the lens of the climate crisis.

Policy examples:

Incorporation of climate-risk assessments into urban planning, especially considering environmental racism and the vulnerability of poor communities.

Introduction of regenerative principles into urban planning and public policy design, as per Amsterdam’s example of the “Doughnut Economy” model.

Expansion of the principles and practices of the circular economy in value-chains and government policies.

Sustainable standards for public bidding and contracting procedures.

Promotion of the expansion and subsidisation of renewable energy.

3) Racial Equality

The global alert about social inequality, present in the SDGs, does not seem to have been enough to awaken Brazilian society, especially about issues involving racial discrimination. Racial inequality is a cruel reality in Brazil. It is a structural problem that affects the majority of the Afro-descendant and Indigenous population, and ultimately, restricts the development of the entire country.

The inequality produced by systemic racism has its roots in the beginnings of Brazilian society, dating back to the enslavement of African and Indigenous peoples. There is an economic, social, and cultural system that maintains this historic debt today.

The lack of representation and the low presence of different social groups in political and governmental institutions and decision-making entities, as well as in private businesses, contributes to making invisible the demands of the poorest and most stigmatised groups. This constitutes a major barrier for the creation of policies and measures that promote equity.

Creating an economy that considers and learns from the mistakes of the past involves the creation and implementation of programs and public policies in three pillars: affirmative actions to correct behaviour and social barriers, anti-racism policies to repress racist manifestations, and policies that celebrate the contribution of the Afro-descendant and Indigenous communities to Brazil.

Policy examples:

Promotion of the history of Africa and pre-columbian America, highlighting the contribution of indigenous communities and Afro-descendants to Brazil.

Affirmative actions for the insertion of Afro-descendants in the labour market, free from racial discrimination, with equal pay.

Housing programs with affordable financing for populations with less economic power, especially Afro-descendants.

Microcredit networks for Afro-descendant entrepreneurs and Indigenous communities.

Expansion of public policies for basic income in poor communities.

4) Regenerative Approach to Drug-Related Issues

The “war on drugs” created innumerable economic and geopolitical consequences. In 2019, the UN and its allied countries recognised that the social damage and losses of the “war on drugs” were much more significant than any possible gains. In Brazil, these conclusions are directly correlated to racial issues. The Atlas of Violence of 2019 showed that in 2017, more than 65,000 people were killed in homicides, of these 49,500 were Afro-descendant men and women, a staggering 75% of the total.

Between 2007 and 2017, there was a 33% increase in homicides of Afro-descendants. 400,000 Afro-descendants were killed by violent crimes, under indisputable police violence, drug gang and narco-militia disputes, and above all, were victims of the historical structural racism in Brazil. Therefore, the “War on Drugs” in Brazil is a war founded upon racially determined factors.

Furthermore, these systemic consequences impair the social and economic development of urban Afro-descendant youth, who are faced with a lack of opportunity. Statistics indicate that 23% of Afro-descendant young people are not in the labour market and not enrolled in educational institutions, not to mention subject to a higher mortality rate than their white peers.

In fiscal terms, much of the State’s resources are directed to the fight against drugs; the consequences on the public budget are vast and pernicious. As a consequence of this network of policies addressing drug violence, the State needs to support public security, the prison system, social assistance in the payment of pensions, sick leave, and retirement to assist victims of violence and many other factors. This represents around 5.9% of GDP according to the Institute of Applied Economics (in Portuguese, “IPEA”). This investment could be directed toward a regenerative economy.

There is room for regeneration in legalisation policies. Consider, for example, Cannabis Sativa, with applications that range from the textile industry to medicinal uses. From an economic perspective, data shows that the market for Cannabis Sativa is a billion-dollar industry. This is essentially a financial pipeline that could be reverted through taxation to a regenerative economy.

Policy examples:

Public policies approaching drugs as a public health issue, decriminalising the use of many psychoactive substances and treating addicts in dignified, well-kept public facilities.

Total legalisation of Cannabis Sativa, including the use of taxation to finance pre-defined objectives, such as the continuous development of health and education in the country.

Legislation to end impunity for police abuse, as per the example of the use of cameras in cars and uniforms when officers are in active duty.

End of police raids on favelas and vulnerable communities, including indemnification for families affected by police brutality.

5) Diversity and Empowerment

Throughout history, Brazil’s socio-political, legal, economic, and cultural spheres were constituted from a predominantly white, male, heterosexual framework. Diversity is a pillar of society and a minimum of tolerance and empathy is necessary to understand and respect each other. People are different, but opportunities must be the same for everyone.

Society needs to correct harmful social distortions to women, LGBTQI + groups, people with disabilities, Indigenous people, Afro-descendants, as well as the obese and aged populations, among all those who have historically been underrepresented in our society.

Empowerment of these groups will involve shifts in individual and institutional behaviours to be anti-racist and anti-sexist. Both are necessary to foster inclusion in all socioeconomic and political dimensions and to ensure diversity is given a voice in development.

Policy examples:

National, multi sector campaign to promote diversity of representation in public and private institutions.

Goals for inclusion and empowerment in companies, with the creation of Diversity Committees, in order to implement effective affirmative actions.

Educational programs for diversity in public and private schools.

The Elaboration and Recognition of a National Isonomic Categorisation of Privileges.

6) Triple Positive Impact Investments and Businesses

We need to strengthen change in corporate culture and use market mechanisms to resolve complex social and environmental issues in order to create an inclusive, regenerative, and equitable economy for people and the planet. It is essential to identify, honour, and promote initiatives that integrate the three essential elements of triple bottom line businesses: purpose of generating positive impact, responsibility to consider your stakeholders in short-, medium- and long-term decision-making and the commitment to measure, manage, and report impact, supported by a solid governance structure.

Medium and large companies must understand their role in respecting planetary boundaries. The predominant logic of short-sighted economic growth and profit maximisation has been consolidated in the last seventy years, and now we live in a capitalist system that concentrates wealth, privatises gains, and socialises losses. Unquestionably, this system benefits the shareholders of a company to the detriment of an entire ecosystem of stakeholders.

There is a market trend that shows an increase in awareness and a desire to promote adjustments in the global economic system. Taking part in the construction for a better future demands a shift in consciousness from major businesses leaders, since younger generations are bringing new demands, questioning every aspect of our system and caring about who they buy from, work for, and invest their time and money in. The Davos World Economic Forum manifesto in January 2020 and the frequent letters from Larry Flink, CEO of the world's largest asset manager, Black Rock, point towards environmental, social, and governance (ESG) criteria.

Adjusting the sails of the economic agenda to meet ESG criteria has become a priority in many organisations, but the complication of COVID-19 and its dire health-related, social and economic consequences have accelerated and highlighted this urgent need for more humanised governance, taking to account socio-environmental performance indicators.

Policy examples:

Introduce new corporate structures to the Brazilian legislation, such as “benefit corporations”, “steward-ownership” models, and “Future Fit Businesses”.

Regulating a National, State, and Municipality’s Strategy for “Positive Impact Business” (in Portuguese, “Negócios de Impacto”), creating a solid legal framework for triple bottom line enterprises.

Expansion of ESG practices in institutions, accelerating the transition to stakeholder capitalism, as per the example of the Brazilian Securities Exchange Commission and the Stock Exchange to develop further criteria for the framework of ESG definitions.

Expansion of impact investment and innovative financial mechanisms, as per the example of Green Bonds and Blended Finance.

7) Participatory and Peaceful Societies

In essence, sustainability is the ability to reconnect nature, society, and the economy. As discussed in the previous topics, we need to regenerate connections with each other, with the planet, with all living beings, and with the conscious use of resources. This is also a spiritual and inner journey, a trait that should be expressed through our public institutions also.

The strong political polarisation that has taken place in Brazil in recent years, following the global wave of extreme right-wing ideologies, has damaged dialogue and understanding between people. The quality of empathy loses strength where antagonism predominates. Fake news, denial of science and history have reached compromising levels, corroding the trust in institutions that is a fundamental pillar of the social fabric.

Nevertheless, we witness the rise of new mediation techniques in the broader legal universe, enhanced by the interdisciplinary connections, such as with non-violent communication. The demand for real and thoughtful dialogue, brings forth a new era of extrajudicial mediations, facilitations, reconciliations, conflict management and, even, the figure of restorative justice, composing a more humanised paradigm for the judicial system.

These approaches and philosophies offer the possibility of new arrangements and forms of participation with the state and public authorities and identify strengthening dialogue and a sense of belonging as main functions of a healthy political system and democracy.

Policy examples:

Introduction of non-violent communication and education in judicial and extrajudicial mediation facilities.

Innovation in local municipal decision-making structures, promoting “devolution” to regional administrative authorities and engaging all stakeholders, for example, expanding the role of public consultation.

Expansion of municipal participatory budgeting, empowering local communities with a say in the destination of tax financial resources.

Recognition of new-born territories that benefit place-based economies such as “Community Wealth Building”, “Bioregionalism”, and “Public-Commons Partnership”.

Conclusion

The economic recovery is an opportunity to build a more just and democratic society, where public authorities can provide more qualified public services, fairer distribution, and generally a better quality of life, including an ecologically-oriented public policy framework.

Considering the objectives of the SDGs, these must be properly contextualised in the process of social development of the country, bearing in mind the almost four hundred years of slavery upon which the society was built. The recognition of this oppression is a fundamental pivot for change. We need to correct and adjust our conducts to generate socio-environmental impacts and positive financial results that are genuinely sustainable for all.

In order to structurally face socio-environmental problems and build a Wellbeing Economy, we must construct inclusive economic development that benefits the whole of society. Brazil is understanding the symbolic dimension of weaving common dreams. Powerful and positive new narratives are being exchanged and momentum is being created.

'Seedlings' of inclusive and sustainable development are present and in play throughout the country. Let's regenerate, think collectively, and build back better!

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