

Inflation and Healthcare in Brazil: Reflections of The Making and Unmaking of Brazilian Democracy

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Introduction

- On March 31st, 1964, a military coup supported by part of Brazilian civil society installed a military dictatorship that would remain in power until 1985.
- Before, during, and after this period, high inflation was the most pressing issue in the country.
- In 1988, the re-democratization process gave birth to the so-called *Citizens' Constitution*, which, among others changes, affirmed: Health is a right of the people and a duty of the State, which was obliged create a Universal Healthcare System (SUS).

Key questions

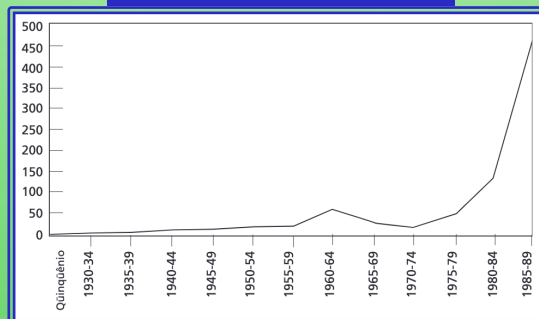
- How was inflation perceived by Brazilian society? What were the harshest effects it had on the average citizen?
- What impact did inflation have on the shaping of Brazilian economic policy?
- How did the political process that led to the creation of Universal Healthcare take part? How it represented the democratization process itself?

Methodology

Multi-focused Approach:

- ✓ Analysis, documentation, and reporting of primary sources, such as newspapers and official governmental memos on economic policy.
- ✓ Compilation and reporting on scholarly articles and books (secondary sources) focused on inflation, indexation, and macroeconomic policy.
- ✓ Seven thorough interviews, including with former Constituent Congressman, Dr. Eduardo Pinho Moreira, on the creation of the Universal Healthcare System.

1. Inflation: Mean annual rates (%), 5-year blocks from 1930 until 1989



2. Promulgation of the 1988 Constitution



Image citation:
1. Munhoz, Dercio Garcia. 'Inflação Brasileira: Os ensinamentos desde a crise dos anos 30.' *Revista de Economia Contemporânea* 1.1 (1997).
2. (Accessed here: <https://amaerj.org.br/noticias/conheca-o-processo-de-aprovacao-da-constitucao-federal-de-1988/>)

Takeaways

- The cycles of Brazilian politics confirm Robert Putnam's "*Two-level Game*" theory: domestic and international politics are inherently entangled and never cease to affect one another.
- Inflationary pressures had deep effects on Brazilian politics. Inflation directly affected both the unmaking – the path towards the coup – and remaking – democratization – of Democracy in Brazil.
- SUS, the Brazilian Healthcare System, is one of the most successful projects in the country's history. Its creation was not only a breakthrough in Healthcare, but it also represented the growing influence of the Brazilian popular sector on politics.

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