

EXECUTIVE LETTER

The relation between (the lack of) sanitation and racial inequality in Brazil

About GO Associados

GO Associados is a multidisciplinary consultancy that offers economic, regulatory, financial and, competition analysis on a wide range of topics. Our team, made up of about 40 internal and external collaborators, works on projects in the most diverse sectors of infrastructure, especially in basic sanitation; as technical assistants in arbitration and inspection cases, in addition to antitrust cases in the context of cartels and merger acts; in addition to monitoring the political and economic situation, and projecting the main macroeconomic indicators in Brazil.

Where we operate

Infrastructure and regulation

- Regulatory matters: including tariff reviews, economic-financial rebalancing, and definitions of tariff models; assistance in public consultations
- Concessions and PPPs projects modeling: including the economic-financial and institutional modeling of the projects; economic-financial rebalancing calculations
- Advice on mergers and acquisitions: including regulatory and economic-financial aspects
- Technical support for the preparation of proposals in biddings: involving the assessment of the regulatory model of the contract, assessment of risks identified in the notice, review, and evaluation of assumptions of the economic-financial model
- Sectoral studies: studies for various entities in the infrastructure sectors

Competition defense

- Cartels: monitoring of economic expertise in cartel cases; preparation of technical reports; participation in hearings
- Merger acts: assistance in submitting notifications to the Administrative Council for Economic Defense (Cade); elaboration of economic opinions on the impacts of mergers and acquisitions
- Competition Advocacy: sectorial studies; analysis of Cade's jurisprudence; antitrust monitoring; preparation of presentations and lectures

Macrosectorial

- Monitoring and analysis of the political and economic situation
- Macroeconomic projections
- Elaboration of studies and lectures on macroeconomic scenarios for the Brazilian economy
- Monitoring of the agribusiness sector: preparation of studies, reports, and presentations

Diversity and ESG

GO Associados has acted as a technical partner of Instituto DataZumbi, supporting the Racial Equity Index in Companies (IERE) methodology. Last year, in the first edition of the index (at the time, the Racial Equality in Companies Index), the team helped in the preparation of the questionnaire, in the data and responses collected from the companies, in the monitoring of all meetings with the Entrepreneurial Initiative for Racial Equality and the preparation and presentation of the final report.

This year the challenge is even greater: to improve what was done in 2020, attracting even more companies to participate and collaborate. Materiality, comparability, and transparency are the methodological

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Partner at GO Associados, Professor at Fundação Getúlio Vargas (FGV) where he coordinates the Center for the Study of Infrastructure and Environmental Solutions. Ph.D. from the University of California (Berkeley), Master from Unicamp, and Bachelor from FEA-USP, always in the area of Economics. Visiting professor at Columbia University in 2006. As an executive, he chaired Sabesp (2007-11), as a regulator, chaired CADE (1996-00), as a public policymaker, was Deputy Secretary of Economic Policy in 1993/94, and Secretary of Economic Monitoring (1995). Certified Independent Advisor and Member of the Audit Committee (CCoAud+ IBGC) by IBGC - Brazilian Institute of Corporate Governance. He is a member of the Board of several companies. Member of the Board of Directors of TIM, where he coordinates the Statutory Audit Committee and is Member of the ESG Committee, member of the Board of Directors of Braskem SA, where he is a member of the Compliance Committee, chairman of the Board of Directors of Estre Ambiental where he coordinates the Committee of Compliance and member of the Board of Directors of Iguá. In the past, he was a member of the Global Advisory Board of UBER and the Board of Directors of Usuminas, Sabesp, CESP, Banco Nossa Caixa, and Varig. He also participates, on a pro bono basis, in the Regional Economic Council, Instituto Iguá de Sustentabilidade, Instituto Iguá de Sustentabilidade, Instituto Brazilian Competition Ethics (ETCO), Business-School Integration Center (CIEE), and GRAPE ESG Advisory Board. He has always participated in the debate on economic policy through articles in various media outlets and social media. He was a columnist for Folha de São Paulo, UOL and Rádio Bandeirantes. He collaborates with various vehicles with commentary on economic matters.

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principles that have guided the team's work.

In addition to methodological support with the index, GO Associados has organized and participated in a series of discussions, events, and courses on ESG and, in particular, diversity. This is one of the consultancy's new fronts. One of the objectives is, based on the experience of its employees on the subject, to help small and medium-sized companies to adapt to the best national and international practices that are increasingly demanded by society.

Challenges studied and faced by GO Associados

As a multidisciplinary consultancy, GO Associados operates in the most diverse sectors of the Brazilian economy, in a way it is involved in the analysis and solution of several of Brazil's main challenges. One of the main challenges is the resumption by the country of sustained economic growth. We understand that its solution necessarily involves economic and legal incentives for more public and private investments in infrastructure; modernization of the regulatory framework and promotion of competition in different sectors of the economy; in addition to the approval of structural reforms capable of reducing the so-called Brazil Cost.

The current international context still poses new challenges to the Brazilian economy. It will not be possible to grow without considering the needs of environmental protection and social inequalities reduction; the adequacy of companies and businesses to the best corporate governance practices and ESG criteria; as well as the new health, economic and behavioral challenges arising from the Covid-19 pandemic.

Interest research questions

The current problems of the international scenario and the Brazilian economy contain numerous academic research opportunities within the scope of JSERE. I list some relevant questions that can be the subject of study below.

The sanitation sector is at the base of a series of social problems observed in Brazil. What are the impacts of the New Sanitation Regulatory Framework, approved in 2020, on the black population? What are the relationship between the quality of water and sewage services in the country and education indicators in the various regions and the various segments of the country's population? And with the professional opportunities in the job market? Does the lack of investments in Brazilian sanitation affect the black population more? How can investments in the sector help to reduce social/racial inequality?

How do recent structural reforms (such as the labor reform) and under discussion in Congress (such as the tax reform) affect the Brazilian population, in particular, the less favored populations? Do such reforms affect black and white populations in the same way?

What do the ESG criteria have to do with companies' positioning on racial diversity issues? How to measure racial equity in companies? How have increased demands from a corporate governance point of view affected companies' results? Is it possible to relate the environment to social inequality in Brazil? How does deforestation in the Amazon affect less-favored populations?

What were the effects of the new home-office trend on social/racial inequality? What part of the population benefited the most? Did the pandemic affect the black or white population the most? Men or women? What were the effects of the Covid-19 pandemic on consumer relations? And in the real estate market? How has the supply of real estate and urban transport segments behaved with the pandemic? What are the potential effects of changes in teaching and distance learning on social inequality? What is the role of the government and the pri-

vate sector in this regard?

Bibliographic reference suggestions

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Executive letter received through Editor-in-chief invitation:

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