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PUBLIC FUND: THE DISPLEASURE OF THE BEST SLICE

Karoline Claudino GUIMARÃESⁱ  

ⁱ Universidade do Estado do Rio de Janeiro – UERJ, Departamento de Serviço Social. Rio de Janeiro, RJ, Brasil.

Author of correspondance: Karoline Claudino Guimarães karolinesclaudino@gmail.com

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Abstract

The work presented aims to discuss, from a Marxist approach, on the private appropriation of the public fund to the detriment of its allocation for social policies, as well as goods and services promoted by the State. The public fund is understood as a collective composite, financed by the working class and the ruling class, which is the target of intense dispute. However, especially in contemporary times, the working class is at an extreme disadvantage in the correlation of forces. It is considered that this has a great impact in the current context of subtraction of rights and precariousness of social policies in the face of the rise of ultra-aggression of neoliberalism.

Descriptors: Social policy; Neoliberalism; Public fund; Capitalism.

FONDO PÚBLICO: EL DISGUSTO DE LA MEJOR PARTE

Resumen: El trabajo presentado tiene como objetivo discutir, desde un enfoque marxista, sobre la apropiación privada del caudal público en detrimento de su destino a las políticas sociales, así como a los bienes y servicios promovidos por el Estado. El fondo público se entiende como un compuesto colectivo,

FUNDO PÚBLICO: O DISSABOR DA MELHOR FATIA

Resumo: O trabalho apresentado objetiva dissertar, a partir de uma abordagem marxista, sobre a apropriação privada do fundo público em detrimento de sua destinação para políticas sociais, assim como bens e serviços promovidos pelo Estado. Entende-se o fundo público como um composto coletivo, financiado pela classe

<p>financiado por la clase obrera y la clase dominante, que es objeto de una intensa disputa. Sin embargo, especialmente en la época contemporánea, la clase obrera se encuentra en extrema desventaja en la correlación de fuerzas. Se considera que esto tiene un gran impacto en el actual contexto de sustracción de derechos y precariedad de las políticas sociales ante el auge de la ultra agresión del neoliberalismo.</p> <p>Descritores: Política social; Neoliberalismo; Fondo público. Capitalismo.</p>	<p>trabalhadora e pela classe dominante, sendo esse um alvo de intensa disputa. Estando, porém, especialmente na contemporaneidade, a classe trabalhadora em extrema desvantagem na correlação de forças. Considera-se que isso tem grande impacto no contexto atual de subtração de direitos e precarização das políticas sociais ante ao ascenso de ultra acirramento do neoliberalismo.</p> <p>Descritores: Política social; Neoliberalismo; Fundo público; Capitalismo.</p>
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INTRODUCTION

This text seeks to highlight the debate on the public fund in contemporary times, considering it a central element of dispute in the social class struggle established in this social order. According to Behring,¹ in the current context of mature capitalism, the public fund is seen as a means

through which the capitalist State ensures the general conditions for the production and reproduction of capital and manages the crises that have become increasingly acute over the course of the 20th century and the beginning of the 21st century.¹⁽⁷²⁾

Thus, the author¹ considers that the public fund has become a prerequisite for the continuity of this mode of production, expanding its role on an ever-increasing scale, with the aim of safeguarding capital and guaranteeing its accumulation process.

However, the consequences of this scenario are not at all favorable for the working class, which has been severely impacted by the current national situation. According to Silva,² this highlights a moment of extreme counter-reformist offensive, whose direction is “the destruction of rights and could drastically affect the foundations of Brazilian social protection, which has been under attack for a long time”.²⁽⁹⁸⁾

In fact, the above context is exacerbated by the project of class domination, neoliberalism, which finds its most extreme expression at the present time. Its various mechanisms aim to allocate huge amounts of money to capital, reducing the share that returns to the working class in the form of social rights, public goods and services. These mechanisms include the intense process of financialization, the freezing of social spending and the intensification of privatization and the

commodification of social policies. This is a political and economic dynamic that focuses on private profit to the detriment of collective well-being.

Against this backdrop, it should be noted that

the contemporary condition of the destruction of social policies means that the working class must defend them as universal and free, and social rights in the form of the services and benefits they materialize in the anti-capitalist agenda. After all, these are central mechanisms for the reproduction of the workforce at this moment in history, as well as signifying the dispute over the fate of public funds in the context of class struggle, but without forgetting their contradictory nature and that social policies are part of the process of capital rotation.¹⁽⁴⁷⁾

Based on the above, we will try to discuss, from a Marxist perspective, the importance of public funds for maintaining social policies and, therefore, for guaranteeing better living conditions for the working class. However, it will point out how, contrary to what it should be, the public fund is increasingly being put at the disposal of big capital. In other words, safeguarding private profit and, as a result, contributing to an ever-lower standard of living for the working class as a whole. In fact, the perverse political and economic mechanisms used to underfund and make social policies more precarious stand out, with the aim of remunerating the business elite and promoting the neoliberal agenda.³

SOCIAL POLICY: CONSIDERATIONS ON SYSTEMATIC STATE INTERVENTION IN SOCIAL PROBLEMS

Systematic State intervention in the complex of social problems began in the 19th century, in Europe, with the emergence of the social issue.^{a 4} In order to examine this institutionalized form of public intervention, through the creation of a social protection system, it is necessary to look at the dynamics of class relations, taking into account the current societal order and its consequences for society as a whole.

With this in mind, Behring and Boschetti³ point out that the State's attention to the manifestations of the social issue arose at the confluence of the rise of the capitalist mode of

^a According to Netto⁴⁽²⁰⁵⁾, “the overall analysis that Marx offers in *The Capital* reveals, brilliantly, that the social question is elementarily determined by the specific and peculiar feature of the capital/labor relationship - exploitation. Exploitation, however, only refers to the essential determination of the social question; in its entirety, far from any monocausalism, the social question implies the mediated interplay of historical, political and cultural components. However, without killing the exploitative devices of the capital regime, any struggle against its political-economic, social and human implications is doomed to face symptoms, consequences and effects”.⁴⁽²⁰⁵⁾

production, starting with the Industrial Revolution and social processes in general, which promoted class struggles and the development of the modern State as such. But it is above all in the transition from the competitive phase of capitalism to the monopolistic stage that the generalization of social policies occurs, especially from 1945 onwards, in the second post-World War II period.

Of course, as the aforementioned authors point out, it is not possible to pinpoint the specific moment when social policy emerged in history, especially since, as they say, it is the development of a series of social processes that created the conditions for meeting social demands. However, charitable practices and certain social responsibilities could already be identified in pre-capitalist societies. Despite being occasional, philanthropic actions and private charity can be understood as proto-forms of social policy, with welfare characteristics and the aim of maintaining social order, as well as an absolutely punitive and repressive nature aimed at coercing work and inhibiting **vagrancy**.³

In this sense, a factor that should be highlighted is the institution of free labour, the wage system and the commodification of social life - processes that began with capitalist society and which engendered profound societal transformations. For Behring and Boschetti,³ in this context, “work loses its meaning as a process of humanization, and is incorporated as a natural activity of production for exchange”.³⁽⁵⁰⁾ In other words, the worker himself becomes a commodity, whose function is to sell his labour power in exchange for a wage to satisfy his vital needs. However, the constitution of these social relations established under the logic of capital, which aims at the private accumulation of socially produced wealth, also promoted, according to Behring and Boschetti,³ “the abandonment of those timid and repressive protection measures at the height of the Industrial Revolution, throwing the poor into the servitude of unprotected freedom”,³⁽⁵¹⁾ where pauperism becomes evident, one of the most pressing manifestations of the social question. For Netto,⁴ “the massive impoverishment of the working population was the most immediate aspect of the establishment of capitalism in its industrial-competitive stage”.⁴⁽²⁰³⁾

It was thus a historical period that brought with it the unprecedented generalization of poverty in society, growing in direct proportion to the increase in wealth that was being widely produced.⁴ It should be noted, according to the author,⁴ that inequality between social strata was not a new phenomenon, on the contrary. The novelty, therefore, lay in the form of capitalist production and the development of the productive forces, which made possible the progressive material production of goods and services while the “contingent of its members, who in addition

to not having access to such goods and services, found themselves dispossessed even of the material conditions of life".⁴⁽²⁰³⁾

It was, however, the actions of historical subjects, placing themselves on the political stage, initially in the fight to reduce working hours and improve working conditions and wages, that put the need to create new regulations on capital's agenda. After all, the guarantee of the current social order was put at risk in the face of popular demands. This is because, faced with such a panel,

The impoverished did not accept their situation: from the first decade to the middle of the 19th century, their protest took the most diverse forms, [...] posing a real threat to existing social institutions.⁴⁽²⁰³⁾

This, in turn, required the state to pay attention to these demands³. In this context,

there is the movement of political subjects - the social classes. There is the cultural environment of liberalism and the emphasis on the market as a means of access to socially produced goods and services, the possibility of which is related to individual merit. The problem of inequality and exploitation began to be displaced as a social issue, to be dealt with at state level and by formal law, which discussed equal opportunities, to the detriment of equal conditions.³⁽⁵⁵⁾

From this perspective, we agree with Netto⁴⁽²⁰⁴⁾ when he states that

among conservative secular ideologues, the manifestations of the "social question" (accentuated socio-economic inequality, unemployment, hunger, illness, penury, lack of protection in old age, helplessness in the face of adverse economic circumstances etc.) come to be seen as the unfolding, in modern (read: bourgeois) society, of ineliminable characteristics of any social order, which can, at most, be the object of limited political intervention (preferably with "scientific" support), capable of alleviating and reducing them through a reformist ideology.^{4 (204)}

Public action, then, promoted social policy as an instrument to mitigate the social ills engendered by the capitalist order. Bearing in mind, however, that "dealing with the manifestations of the 'social issue' is expressly disconnected from any measure tending to structurally problematize the established economic-social order".⁴⁽²⁰⁵⁾ In this way, a series of political, social, institutional, economic and social transformations allowed the capitalist State to incorporate demands arising from social struggles, establishing the first social policies within the framework of modern citizenship.⁴

For Behring and Boschetti,³ this was a relationship of continuity between the liberal State of the 19th century, which harshly criticized social interventions and offered them in a partial and repressive way, and the social State established in the 20th century, which effectively incorporated the guidelines of social democracy. Both, however, recognized "rights without calling into question

the foundations of capitalism”.³⁽⁶³⁾ In other words, while the former led to the recognition of civil rights, especially individual freedoms, the latter led to the expansion of social rights, mainly through the conquests of workers in the dimension of political rights between the 19th and 20th centuries.³

For Behring and Boschetti,³ there is unanimity among intellectuals to place the emergence of social policies at the end of the 19th century, given the context summarized so far. According to the authors, this occurred gradually and differently between countries, and was deeply related to the class struggle and, therefore, the organization and pressure of workers on capital. It is therefore possible to highlight the German initiative as the first form of social policy. This experience took place in 1883, under the logic of social insurance, with public recognition that incapacities for work should be protected, such as old age, illness and unemployment.

The broadening of the general context for the implementation of social policies, however, came about as a result of political and economic processes that contributed to weakening the material and subjective basis of liberalism, especially the exponential growth of the workers’ movement and its occupation of political and social spaces, practically forcing the ruling class to recognize its rights. However, “the concentration and monopolization of capital, demolishing the liberal utopia of the entrepreneurial individual guided by moral sentiments”³⁽⁶⁸⁾ also influenced this process. After all, “the market was increasingly led by large monopolies, and the creation of companies came to depend on a large volume of investment, money lent by banks”.³⁽⁶⁸⁾

Furthermore, the monopolistic leadership of the markets also had a major influence on the generalization of social policy. For, as Behring and Boschetti confirm,³ there was a real fusion between banking and industrial capital, generating financial capital. This, in turn, increased intercapitalist competition, crossing borders and culminating in two world wars. For the authors,³ the period known as the Great Depression was essential for the development and expansion of social policies. Until 1929, this was the biggest crisis experienced by the capitalist system, starting in New York and reducing world trade by a third. There was also the backdrop of the Russian revolution of 1917. The context called into question not only capitalist profitability, but the very legitimacy of the mode of production in question. Thus,

social policies slowly multiplied throughout the depression period, which lasted from 1914 to 1939, and became more widespread at the beginning of the period of expansion after the Second World War, which was underpinned by the war itself and fascism, and continued until the end of the 1960’s.³⁽⁶⁹⁾

In fact, Keynes' ideas gained prominence both in the American New Deal and in European strategies for getting out of the crisis. The point of support, which goes completely against orthodox liberalism, is based on public action, starting with "a set of anti-crisis measures, aimed at cushioning the cyclical crises of overproduction, overaccumulation and underconsumption, triggered by the logic of capital".³⁽⁷¹⁾ According to Salvador,⁵⁽⁶⁰⁷⁾

the workers' struggle for better living conditions and a more dignified working situation built up the experience of a certain standard of social protection between 1945 and 1975 in the countries at the center of capitalism.⁵⁽⁶⁰⁷⁾

This involved a social pact between capital and labor. However, it was during the period of capital's structural crisis in the 1970's that the foundations of this Welfare State, established in most central capitalist countries, began to erode. The period of three glorious decades allowed capital to experience a phase of ample growth, which even with cyclical crises, allowed for greater redistribution of social wealth in the form of social policy - however, "disregarding the hell of its periphery, the so-called Third World".⁴⁽²⁰²⁾

It is worth noting that the creation of a Welfare State does not alter the exploitative essence of this system of production. For Netto,⁴ even though the quality of life of the working class has improved significantly in the central countries with the creation of more solid systems of social protection, the intense processes of pauperization have continued to grow in the other part of the world.

However, the wave of economic growth that gave capitalism the possibility of realizing the Welfare State has been exhausted, showing critical signs since the 1960's. It was the

reduction in profit rates, also conditioned by the rise of the workers' movement, which had achieved significant victories in those years and in the immediately preceding ones, capital responded with a political offensive.⁴⁽²⁰⁷⁾

For Behring and Boschetti,³ the consequences of the last decades of the 20th century created a tragic and overwhelming scenario for the working class. So much so that, according to Netto,⁴ this scenario required capital to make an intense move to restore profit rates. This, in turn, took place through a process of making production more flexible and capturing the State more closely to the interests of capital (through an intense process of privatization, in both its classic and non-classic forms), ordering the entire world of work through labour deregulation. Some of the impacts of this context have been the loss of union power, greater subsumption of labor, lower wages, multi-skilling, a reduction in the number of workers, temporary contracts and more

precarious working conditions. Added to this is segmented and diffuse production, with the literal transfer of factory spaces to locations with fewer labor regulations and tax incentives.⁴

In this sense, a joint movement took place, which Netto⁴ calls globalization/neoliberalism, both economically and ideologically. For Netto and Braz,⁶ this contributed to the legitimization of a series of deregulations implemented in the sphere of work, but not only that, affecting the whole complex of social life. This strategy aimed to break down socio-political barriers, not just those related to work, but those that regulate the economy in general. After all, according to its theoreticians, the crisis that began in the 1960's was not based on the contradictory dynamics of the capitalist mode of production, but on the wasteful hypertrophy of the States in terms of social policies. This discourse validates the rhetoric of public debts in order to blackmail States into adhering to the neoliberal agenda.⁷

It should be noted that in Brazil, social policy has developed within the dynamics of a country with peripheral capitalism and, therefore, subordinated to the international market, with a strong conservative, patrimonialist and clientelist background. Added to this is the fact that Brazil experienced a long period of slavery, which profoundly marked the historical meaning of social and labor relations, in view of the class, race and gender issues that exponentially mark the correlation of social forces even today.

From this perspective, the emergence and development of Brazilian social policy was marked by the coexistence of conservative elements, "with the aim of preserving a social order that lacked the material and moral conditions to engender true autonomy, which was fundamental for the construction of the nation".³⁽⁷³⁾ In a different way from Europe, Behring and Boschetti³ point out that the social issues in Brazil arose in a capitalist country with strong manifestations of pauperism, especially after slavery and the obstacles to using the labor of former slaves. In such a way that the social issues only became a political issue in the 20th century, with the incipient class struggles and the meager initiatives of labor laws.

But, for the authors,³ it is, on the one hand, social rights (mainly labor and social security) as a point of demand for the working class, and, on the other hand, it means the search for legitimacy of the ruling classes in the face of the restriction of political and civil rights. Until 1930, the authors³ characterize social protection in Brazil as sparse and fragile measures. It wasn't until the turn of the 20th century, with the formation of trade unions and the greater organization of urban and rural workers in general (also with some strength coming from immigrant workers with a

certain socialist and anarchist tradition) that the context showed changes in the political and social framework. Some of the achievements of the period were the reduction of the working day to 12 hours a day (which was not fully achieved) and the regulation of accidents at work. Another important milestone mentioned by Behring and Boschetti³ was the creation of the Eloy Chaves Law in 1923, which established retirement and pension funds for some professional categories, such as railroad workers and seafarers. After that, the Retirement and Pension Institutes were approved in 1926. Also noteworthy was the Minors' Code in 1927, which was extremely punitive in nature.³

For Bravo,⁸ the conjuncture of the 1930's triggered the process of industrialization, the redefinition of the role of the state and the emergence of social policy. According to the author, the economic and political landscape opened up space for social policies in the face of the need to respond to the manifestations of the social question in an organic and systematic way. There was a demand for social problems to be seen as a political issue, in a more sophisticated way, with public intervention and backed up by State apparatus. As a result, the urbanization process accelerated, increasing the number of salaried workers in the cities, as well as people without formal (and often even informal) jobs.

In another direction, from the 1960's onwards, the country went through a dictatorial regime that reshaped the State, directly impacting on social policies, given the rise and internationalization of the economy with the Brazilian Miracle. Behring and Boschetti³ state that this was a technocratic and modernizing-conservative project that soon showed signs of exhaustion. Bravo⁸ infers that "the major structural problems were not resolved, but deepened, becoming more complex and with a broad and dramatic dimension".⁸⁽⁶⁾ And the social issue itself became the target of State intervention based on the repression-assistance binomial. This contributed to the expansion of social assistance, but in a bureaucratized and modernized way in order to regulate society, with a view to attenuating social tensions, legitimizing the military regime and promoting the accumulation of capital.

From this perspective, it is possible to point out that in Brazil there is

a strong instability of social rights, denoting their fragility, which goes hand in hand with a kind of permanent institutional and political instability, with difficulties in setting up more lasting pacts and inscribing inalienable rights.³⁽⁷⁹⁾

In such a way that, while in the central capitalist countries social policy emerged amid a process of intense workers' struggles and some of these countries experienced the reality of a

Welfare State, in Brazil the scenario presented the deepening of social ills in the face of the legitimization of a dependent capitalism. As Behring and Boschetti point out,³ it was a slow and selective expansion, with corporatist and fragmented characteristics. However, the winds of change began to blow through the country with popular movements against the regime and the 1988 Constitution brought important legal milestones, especially regarding social rights. However, the period of Brazilian redemocratization came up against the events of the post-1970's, which triggered the advance of neoliberalism with the capitalist crisis of 1969-1973 in the international context. According to Bravo,⁸ this was a conservative turn after the promulgation of the Citizen's Constitution, which did not lead to material gains for the population as a whole. Rather, it led to "a democratic transition that was tightly controlled by the elites in order to avoid the constitution of a radicalized popular will".³⁽¹³⁸⁾ Or, as Salvador points out,⁵ even Brazil's exponential economic growth, over more than 50 years in the last century, "was not able to achieve results of the same magnitude as those of the countries of central capitalism, keeping a large part of its population in precarious living and working conditions",⁵⁽⁶⁰⁸⁾ further highlighting the expressions of the social issues.

PUBLIC FUNDS: NOTES ON THE PRIVATE APPROPRIATION OF COLLECTIVE WEALTH

We agree with Brettas,⁹ who states that

the State in dependent economies is marked by unequal power relations that limit the exercise of its sovereignty in relation to other economic and social formations to which it is subject. Thus, it functions as a tool at the service of the interests of the ruling classes of the central countries, while at the same time expressing the needs of the local ruling class, in its relations of contradiction and subordination with those classes.⁹⁽⁵⁵⁾

This statement is extremely important for understanding the current situation in Brazil, precisely because it is a country with a peripheral and dependent position in globalized capitalism. Certainly, since the late introduction of neoliberalism in Brazil, the scenario has been one of a ruling class that uses all sorts of expropriatory mechanisms in relation to the working class. In this direction, the public fund stands out as an object of dispute in the correlation of social forces, with a large portion being allocated to the remuneration of capital. In order to make this clear, however, it is necessary to explain some extremely important issues, such as what is meant by public funds and the political-economic dynamics in which this occurs. Considering that

capitalism remains oriented towards the search for super-profits, the valorization of capital and its accumulation, through the production of surplus value, which implies the permanence of the value-labor relationship as a fundamental determination of the social relations of production and the development of productive forces, with strong implications for the general conditions of the class struggle.¹⁽³³⁾

Having said that, it should be noted that the public fund is made up of both surplus labor and necessary labor, so that the public fund

does not directly generate surplus value, except when the State participates directly as a producer, even though this situation is not the most desirable for capital, but is generally an exception in the case of productive infrastructure, subsidized prices for raw materials and energy, rescue and reorganization operations for companies in bankruptcy and receivership, among other conjunctural situations. However, the public fund, tensioned by the contradiction between the socialization of production and the private appropriation of the product of social work, acts by puncturing part of the socially produced surplus value and the work necessary to sustain, in a dialectical process, the reproduction of the workforce and capital, socializing the costs of production and speeding up the processes of realizing surplus value, the basis of the rate of profit.¹⁽¹⁰³⁾

Thus,

the public fund participates indirectly in the general reproduction of capital, either through subsidies, negotiation of bonds and guarantees of financing conditions for capitalists' investments, or as a present and important element in the reproduction of the workforce, the only source of value creation in capitalist society.⁵⁽⁶²²⁾

However, as Salvador explains,⁵

the public fund involves all the capacity the State has to mobilize resources to intervene in the economy, in addition to the budget itself, State-owned companies, the monetary policy commanded by the Central Bank to bail out financial institutions, etc. The most visible expression of the public fund is the State budget. In Brazil, the resources of the State budget are expressed in the Annual Budget Law (LOA) approved by the National Congress.⁵⁽⁶⁰⁷⁾

In this sense, there is an intense dispute over its resources. Since, for Salvador,⁵ the public budget itself is a space for political struggle, where the correlation of social forces acts in pursuit of their interests, which can be aimed at the collective or at private benefit. At the current juncture, however, there is a tendency for public funds to be allocated in ever larger portions to the private sector. For, "in mature capitalism, the public fund becomes a condition of life and death for the valorization of value".¹⁽³¹⁾

In view of this, it is said that the public fund occupies a structural place in capitalism, especially in recent decades, considering the systemic crisis.^{1,5} And this has become increasingly clear in the Brazilian political and economic context. It is said that the country has been going through a period of ultra-acceleration of the neoliberal agenda since the 2016 coup.⁷ Since then, a series of counter-reforms have been enmeshed with the aim of favoring capital, making use of the intensification of labor exploitation and mechanisms that guarantee the greater absorption of portions of the public fund. Whether through business relief measures or the subtraction of social and labor rights, the expansion of market advantages over public services is visible. As Bravo points out,⁸⁽¹⁴⁾

the affirmation of neoliberal hegemony in Brazil has been responsible for the reduction of social and labor rights, structural unemployment, job insecurity, the dismantling of public pensions, the scrapping of health and education.⁸⁽¹⁴⁾

Nevertheless, the political shield has been essential for this. In this regard, the neoliberal emissaries who have been representing this societal project in the upper echelons of power stand out. Some examples of this are Michel Temer (of the Brazilian Democratic Movement - MDB), in a two-year interim term, after the 2016 coup, and the four years of (un)government of Jair Bolsonaro (Liberal Party - PL). This period meant the expansion of the public fund for the remuneration of capital.

Bravo, Pelaez and Menezes¹⁰ consider that, in the wake of the dismantling and subtraction of rights orchestrated during the two aforementioned governments, health policy has been a frequent target. According to the authors,¹⁰ the measures adopted have had repercussions on the dispute between the health projects in force, which are the sanitary reform^b, the flexibilized sanitary reform^c and the privatist project^d,¹⁰ so that this social policy has been increasingly subordinated to the market. In other words, it is a “process of development of the

^b Bravo, Pelaez and Menezes¹⁰ point out that the health reform project, which began in the 1970's as a result of popular and trade union struggles for the right to health, was also critical of the limits of the welfare medical model. This model sees health as a social right, a duty of the state and universal in nature.

^c Regarding the proposal for a more flexible health reform, Bravo, Pelaez and Menezes¹⁰ assure that it is a precarious, underfunded and progressively dismantled SUS, based on arrangements that meet macroeconomic policies, with a managerial vision and aimed at the poorest of the poor.

^d The privatist project operates according to market logic and exploits disease for profit, with state management replaced by “New Management Models”, the purpose of which is to advance capital over public funds.¹⁰

capitalist system itself in its neoliberal phase, with a reduction in the rights of the working class and the increasing participation of the market in all aspects of social life”.¹⁰

As Brettas points out,⁹ the very creation of the Unified Health System (SUS) exemplifies the tension between the market-oriented economy and social rights, considering that it involves the implementation of a public health care system.

of a public health care system without restrictions on access, unprecedented in the country. [At the same time], adherence to an economic policy based on the logic of fiscal adjustment and the privatization of large state-owned companies has put pressure on the configuration of social policies in the opposite direction and allowed for the implementation of a substantial process of precarious living conditions.⁹⁽⁶⁶⁾

According to Brettas,⁹ the implementation of neoliberalism and the composition of the social classes varied from country to country and this did not happen in a linear fashion, with the set of proposals implemented also having different characteristics to those recommended by its ideologues.^{e 11} For the author, the dispute between the classes, and even between fractions of the same class, has its own content and has been setting the tone and direction of the neoliberal offensive in the territories. In the case of Brazil, Brettas⁹ states that the historical background and structural characteristics bring particularities that imply specific contradictions to such processes and have a variety in relation to other experiences.

For example, unlike the reality in many European countries, Brazil did not have a large social protection network in place that was ready to be dismantled. In other words, what was consolidated in the decades before neoliberalism, and which was in crisis, was national developmentalism. The (dependent) Brazilian State in this period combined fragmented and corporative social policies - based on the culture of tutelage and favor - with action through large state-owned companies in the production of capital goods and infrastructure. If, in European countries, the Welfare State contributed to an - albeit limited - democratization of society, it was in the most truculent periods that the national developmentalist state advanced in the selective expansion of social policies, in an ingenious combination of coercion and the search for political legitimacy.⁹⁽⁶¹⁾

^e Brown¹¹⁽¹⁷⁾ argues that “nothing is left untouched by the neoliberal form of reason and valuation, and that neoliberalism's attack on democracy has everywhere inflected law, political culture and political subjectivity”.

As a result, neoliberalism in Brazil was consolidated as a strategy of domination in response to the crisis of the 1980's. This, in turn, made possible an exponential popular movement for democratization, considering the prominence of the trade union struggle and the emergence of new social movements, both urban and in the peasantry.⁹

It was within this dynamic that the popular victories resulted in the design of social policies from the 1988 Federal Constitution onwards, making it possible to create Social Security, which, according to Brettas,⁹ meant “an innovation that was very far from what had been structured until then”.⁹⁽⁶¹⁾ For the author,⁹ the post-CF88 (1988 Federal Constitution)⁹ context was one of extreme contradiction. Precisely because of the strength that the neoliberal project gained, with the implementation of complementary laws and the emergence of new State apparatuses. Brettas⁹ draws attention to the fragility of the regulated social framework, which had its creation marked by dismantling from the 1990's onwards.

According to Behring,¹ in this scenario, the public fund has increasingly stratospheric tasks and proportions, especially with the predominance of neoliberalism and financialization. It also brings with it “all the purely ideological odes in favor of the minimal State that have been widely disseminated since the 1980's”.¹⁽³²⁾ Which, for Brown,¹¹⁽²³⁾ under the neoliberal aegis, means that “markets can only function by preventing the state from meddling or intervening in them”. What's more, “the contemporary attack on society and social justice in the name of market freedom and moral traditionalism is therefore the direct emanation of neoliberal rationality”.¹¹⁽²³⁾

From this perspective, Brettas,⁹⁽⁶²⁾ states that

the Brazilian dependent State, in its neoliberal phase, accentuated its capacity to make private actions in the provision of public services profitable, pointing out ways to deal with the crises of accumulation and hegemony. Counter-reforms were implemented during this period, so the achievements mentioned above do not overshadow the strength of the bourgeois project. Despite the tensions, it is a question of the emergence of increasingly sophisticated mechanisms for expropriating the means of subsistence from the working class, which are combined with super-exploitation - feeding capitalist accumulation and the withdrawal of rights. Neoliberalism represents, as a final balance, a victory for the ruling classes and imposes countless losses on the working class.⁹⁽⁶²⁾

As a result, Bravo, Pelaez and Menezes¹⁰ highlight the Constitutional Amendment 95 of 2016¹⁰, which aimed to freeze public spending for this purpose. As a result, the authors state that the impacts on health policy are indisputable. In fact, a study carried out by the Institute of Applied Economic Policy - Ipea, Technical Note 28,¹⁰ points to the loss of federal resources for

the SUS, with an estimated R\$654 billion over the next 20 years. That's if Gross Domestic Product (GDP) growth is 2% per year. If growth is higher, at 3% per year, it could reach R\$ 1 trillion^f , “In other words, the more the Brazilian economy grows, the greater the loss of resources for Health”.¹⁰⁽¹⁹⁶⁾

And all of this is taking place against a backdrop of sequential initiatives to make public facilities more precarious and scrapped, which contributes to worsening the situation. In this direction, health policy, which as Bravo⁸ has pointed out since 1995, with the Master Plan defended by Bresser Pereira, has been suffering from the neoliberal advance, continues to reaffirm the managerial logic of the State, which “should cease to be directly responsible for economic and social development to become the promoter and regulator, transferring its activities to the private sector”.⁸⁽¹³⁾ That is to say,

despite the principle of universality, which underpins Brazil's health policy, the system has been structured with a large private wing available to the social classes that can afford private services. The vegetative growth of health resources under the FHC governments led to the intense precariousness of public health services.²⁽⁸⁵⁾

In light of the above, it can be said that health policy is just one of the examples that can be mentioned within the universe of social policies that have been severely impacted by the reconfiguration of the State in the interests of capital. So much so that Brettas⁹ states that fragmentation, focalization and privatization have been present in Brazilian social policy since the beginning, although they became more evident and profound under neoliberalism. However, the author⁹ emphasizes that in addition to understanding how public funds are appropriated through perverse mechanisms aimed at transferring public revenue to big capital (national and international), such as the EC 95/2016,¹² the process of financialization is also an essential element in understanding this dynamic.⁹

In this respect, Brettas⁹ points out that relations of dependency are deepened by neoliberalism, which is why it is necessary to adopt the fiscal adjustment policies imposed by multilateral organizations and reinforced by the big bourgeoisies in peripheral and dependent countries. According to the author, it is a matter of breaking previous limits in favor of interest-

^f Constitutional Amendment 126/2022, which became known as the “transition PEC”, among other issues, defined that the federal spending ceiling created by Constitutional Amendment 95/2016 will be replaced by a new fiscal framework, with the creation of a Complementary Bill -PLC for the National Congress until August 2023.¹⁰

bearing capital, which becomes an alternative for raising profit rates again, this being one of the main elements that make up financialization. This corroborates a qualitative change as well as a quantitative one, increasing exploitation in order to obtain surplus value, putting pressure on productive reorganization and boosting this sector, which influences all the others.⁹

For Salvador,⁵⁽⁶¹⁶⁾

interest-bearing capital is located at the center of today's economic and social relations and the current financial crisis underway in contemporary capitalism. The interest on the public debt paid by the public fund or the well-known “debt service” expense of the State budget (interest and amortization) is fed by interest-bearing capital through the so-called “institutional investors”, which include pension funds, collective investment funds, insurance companies, banks that manage investment companies.⁵⁽⁶¹⁶⁾

According to Brettas,⁹⁽⁶⁴⁾ one of the mechanisms guaranteeing the continuity of this dynamic is the Social Emergency Fund, created in 1994, which since the 2000's has been renamed the Federal Revenue Divestment - DRU, whose purpose is “to prioritize the payment of debt and the availability to, if necessary, sacrifice resources destined for other purposes, such as social policies, for example”.⁹⁽⁶⁴⁾ And this is just one of the supports used in what Brettas⁹ calls the legal-political arsenal that legitimizes and enhances transfers of public funds to capital, with public debt being the basis of financialization in the country^g.¹ After all, according to the author,⁹ the State needed to take certain measures in the public management of its resources in order to “make clear to institutional investors the government's willingness to honor its commitments to the public debt”.⁹⁽⁶⁴⁾

Thus, for Silva,² this logic of *de-financing* social policies “is continuous and in increasing flux”.⁽⁸⁹⁾ The author²⁽⁸⁸⁾ states that, in this direction,

the PT governments have adopted a policy that favors financial capital, most of the time to the detriment of strengthening and consolidating a system of universal social protection, leading to a regression in social policies, accentuating their focalist and selective nature, a process that is explicit in social assistance policy.²⁽⁸⁸⁾

^g Behring¹ gives some examples, such as through “state purchases and contracts, the supply and regulation of credit, the complex network of public-private relations that is established in mature capitalism, with a view to acting in the process of capital rotation”.¹⁽⁴²⁾

However, in the post-coup context of 2016, the neoliberal offensive is intensifying, and this scenario has had a disastrous impact on social policy in Brazil, as we have tried to show. In such a way that

a lean State is demanded, with top priority for macroeconomic stability, which means a monetarist policy favorable to financial capital and rentier interests. In this direction, there is a frank obsession with State spending, for several reasons. Firstly, the interest rate paid by the State on government bonds becomes the floor against which all other rates are set; secondly, higher inflation rates are always pro-debtor; thirdly, government bonds are financial assets par excellence.²⁽⁹³⁾

All of this converges to allocate the best and most robust slice of the public fund to big capital, whose logic is “marked by the unbridled and fierce pursuit of value”.¹⁽³⁴⁾ And in order to do this, as Behring infers,¹ it needs the permanent action of the public fund in the reproduction of capital to a greater extent, increasingly reducing its intervention in the reproduction of the workforce. This means that it is drastically reducing “its investments in social policies”.¹⁽³⁹⁾ This leaves workers with the displeasure of being daily expropriated, exploited and constantly subsumed by the capitalist order.

FINAL CONSIDERATIONS

In conclusion, there is an intense dispute over public funds. As Behring points out,¹ on the one hand, the public fund mediates the distribution of surplus value between the fractions of the ruling class, returning generous slices to guarantee the general conditions of production. On the other hand, the working class participates in taking back part of the public fund, either through social policies or through public goods and services. However, “in general, they dispute its distribution under unequal conditions, considering the correlation of forces in society and in the state”.¹⁽⁴⁰⁾

The effects of the increasing appropriation of public funds by capital are therefore deleterious for social policies and, therefore, for the working class as a whole. It is an intense process of subtraction of rights and consequent lowering of living standards, especially for the most subaltern social strata. As Behring points out,¹ despite the exploitation of the workforce, the dominated classes suffer from exploitation through taxation. In other words, most of what should be returned to the proportionally larger contributors to the public fund in the form of decent, quality public services and goods is transferred to the remuneration of capital. So the capitalist not only

appropriates the surplus labor, but also expropriates the worker from the labor necessary for their reproduction.

For Behring¹, this growth and centrality of the functions of the public fund for capitalism in contemporary times shows how the conflict between the classes has intensified, so that capital, in its decadent and destructive phase, is increasingly socializing the high costs of its crisis with the workers. This, however, reaffirms the exhaustion of capitalism's civilizing possibilities. As Bravo points out,⁸ this presents us with the challenge to

overcome the profound social inequalities that exist in our country [...] [based on] a broad mass movement that takes up the proposals for overcoming the inherited crisis and advances concrete proposals.⁸⁽²¹⁾

But not only that, it is also advancing towards the possibility of articulating an organized struggle for a more equitable society, whose horizon is the socialization of the means of production and human emancipation.

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