



Social policies and public budget in a state of permanent exception (2013-2021)*

Políticas sociais e orçamento público em um estado de exceção permanente (2013-2021)

Telma Ferreira Farias Teles Costa^a

 <https://orcid.org/0000-0001-9536-6379>

Arnaldo Provasi Lanzara^b

 <https://orcid.org/0000-0002-7809-4719>

Abstract: Written in the form of a theoretical essay, the article raises reflections on the way the public budget is managed in Brazil and its articulation with two thematic axes: austerity, treatment of public debt and promotion of social policies. Final considerations point to the possibility of associating practices in the management of the Brazilian federal budget and a state of economic exception perpetuated over time and, as a result, limiting the promotion of social protection rights.

Keywords: Economic exception. Budget management. Public finances. Public policies.

Resumo: Escrito sob a forma de um ensaio teórico, o artigo levanta reflexões sobre o modo de gestão do orçamento público no Brasil e sua articulação com dois eixos temáticos: tratamento da dívida pública e promoção de políticas sociais. As considerações finais apontam para a possibilidade de associar as práticas na gestão do orçamento federal brasileiro e um estado de exceção econômica perpetuado ao longo do tempo e, como desdobramento, limitante da promoção de direitos de proteção social.

Palavras-chave: Exceção econômica. Gestão orçamentária. Finanças públicas. Políticas públicas.

*Translated by Pietra Vidal Barbosa.

^aRio de Janeiro State University (PPFH/UERJ), Rio de Janeiro/RJ, Brazil.

^bFluminense Federal University (ICHS/UFF), Volta Redonda/RJ, Brazil.

Received: Jan/10/2024 ■ Accepted: Feb/2/2024

Introduction

This study, written as a theoretical essay, addresses two variables: the treatment of public debt and social policies. The objective is to reflect on how economic emergency mechanisms can be incorporated into the management of the Federal Public Budget and the consequences of this process for the promotion of social rights.

Considering that the contingency of primary expenses affects multiple areas of social interest, it would be possible to analyze how each Brazilian fiscal policy has intensified or curtailed the dismantling of public policies over the years. This is done by either deepening or mitigating the gap between population growth and financial resources *per capita* to promote public goods and services. However, the literature shows that social policies, in general, are more illustrative in demonstrating that “*self-mutilation*” mitigates economic crises¹ with different austerity packages, thus creating a Financial Law for crises, permanently established in Brazil.

To account for this objective, the *economic exception* category was invoked as a guiding thread for discussions. Additionally, secondary statistical data on the execution budget of social policies are presented, but only to exemplify the arguments developed, as the reading key for this work has a significant degree of materiality. In this regard, this is exploratory research in terms of the objectives of an applied nature, employing an essentially qualitative approach. The methodological procedures, in turn, include bibliographic and documentary research, and procedures typical of a case study.

¹ In a piece for the *Jornal do Comércio* on June 22, 2016, while he was still serving as the interim president, Michel Temer stated: “[...] the proposal to limit public spending is a demonstration that before any burden that the population may bear with the economic crisis, it’s necessary to make cuts first, and we are doing this.”. See Temer (2016).

Following this brief introduction, the next section discusses the concept of economic exception and its articulation with constitutional *telos*, presenting budgetary results from the period within the scope of this article. Subsequently, the mechanisms that effectively enable the social objectives established by the Constitution to be sidelined in favor of desirable fiscal target metrics and public debt sustainability are discussed. Finally, concluding remarks revisit the main arguments addressed, also spotlighting contributions, limitations, and opportunities for future research.

1. The empiricism of economic exception against the constitutional *telos*

Studies, such as those conducted by the Institute of Applied Economic Research (IPEA), indicate that during the 20 years of Constitutional Amendment (CA) No. 95, without changes to the terms agreed upon, there would have been a “regression in the share of spending on welfare policies relative to Gross Domestic Product (GDP), to levels below those of 2006” (Paiva et al., 2016, p. 14-15). Thus, in the insulating context of fiscal decisions from democratic pressures for greater socialization of the budget through public social policies, authoritarian resurgences have been observed since 2016. This is highlighted by Abranches (2020), who notes that incidental rulers have succeeded in weakening democratic institutions by jettisoning a myriad of characteristic rights from their core. For example, consider Table 1, which shows the budget execution (committed sums) for highlighted budget functions. The black arrows pointing upward indicate that committed expenses were higher than in the previous year, while the red arrows pointing downwards represent the opposite situation (reduction in expenses).

Table 1. Historical execution series of the Fiscal and Security Budgets (excluding Contingency Reserve) (2013-2021) — sums in billions

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety	R\$ 9,11	↓ R\$ 8,95	↑ R\$ 9,04	↑ R\$ 9,72	↑ R\$ 10,86	↑ R\$ 12,45	↓ R\$ 11,56	↑ R\$ 13,84	↓ R\$ 13,28
Social Assistance	R\$ 64,65	↑ R\$ 70,43	↑ R\$ 73,23	↑ R\$ 79,76	↑ R\$ 84,72	↑ R\$ 88,68	↑ R\$ 95,97	↑ R\$ 423,58	↑ R\$ 168,64
Health	R\$ 85,30	↑ R\$ 94,07	↑ R\$ 102,09	↑ R\$ 108,27	↑ R\$ 117,60	↑ R\$ 120,87	↑ R\$ 125,91	↑ R\$ 164,69	↑ R\$ 182,51
Labor	R\$ 66,15	↑ R\$ 71,64	↓ R\$ 67,53	↑ R\$ 72,41	↓ R\$ 71,49	↑ R\$ 72,59	↑ R\$ 74,50	↑ R\$ 77,23	↓ R\$ 66,69
Education	R\$ 82,25	↑ R\$ 93,89	↑ R\$ 105,78	↑ R\$ 106,74	↑ R\$ 111,41	↑ R\$ 112,19	↑ R\$ 114,09	↓ R\$ 105,59	↑ R\$ 112,51
Culture	R\$ 2,41	↓ R\$ 1,84	↑ R\$ 1,87	↑ R\$ 1,94	↓ R\$ 1,90	↑ R\$ 1,99	↓ R\$ 1,81	↓ R\$ 1,26	↓ R\$ 1,25
Citizenship Rights	R\$ 1,53	↓ R\$ 1,49	↓ R\$ 1,52	↑ R\$ 2,41	↓ R\$ 1,76	↓ R\$ 1,62	↑ R\$ 2,39	↓ R\$ 1,45	↓ R\$ 1,11
Housing	R\$ 0,21	↓ R\$ 0,05	↑ R\$ 0,07	↓ R\$ 0,04	↑ R\$ 0,05	↓ R\$ 0,019	↑ R\$ 0,02	↑ R\$ 0,08	↑ R\$ 0,09
Sanitation	R\$ 2,95	↓ R\$ 1,69	↓ R\$ 1,094	↓ R\$ 0,56	↑ R\$ 0,86	↑ R\$ 0,92	↓ R\$ 0,52	↑ R\$ 0,89	↓ R\$ 0,48
Environmental Management	R\$ 6,59	↑ R\$ 6,79	↓ R\$ 4,84	↑ R\$ 5,76	↓ R\$ 4,19	↑ R\$ 4,64	↑ R\$ 4,77	↑ R\$ 4,79	↓ R\$ 4,16
Science e Technology	R\$ 10,74	↓ R\$ 8,54	↑ R\$ 8,52	↓ R\$ 7,29	↑ R\$ 7,53	↑ R\$ 7,47	↓ R\$ 7,25	↑ R\$ 7,52	↓ R\$ 5,95
Agriculture	R\$ 20,49	↓ R\$ 18,85	↑ R\$ 21,63	↑ R\$ 25,99	↓ R\$ 23,23	↓ R\$ 22,83	↓ R\$ 21,91	↓ R\$ 20,21	↑ R\$ 25,27
Agricultural Administration	R\$ 7,56	↓ R\$ 4,29	↓ R\$ 3,91	↓ R\$ 2,99	↓ R\$ 2,75	↓ R\$ 2,71	↓ R\$ 1,96	↑ R\$ 1,99	↓ R\$ 1,45
Industry	R\$ 2,24	↑ R\$ 2,29	↓ R\$ 2,23	↑ R\$ 2,36	↓ R\$ 2,29	↓ R\$ 2,24	↓ R\$ 1,91	↓ R\$ 1,74	↓ R\$ 1,78
Communications	R\$ 1,34	↑ R\$ 1,52	↓ R\$ 1,45	↓ R\$ 1,42	↓ R\$ 1,26	↑ R\$ 1,42	↓ R\$ 1,39	↑ R\$ 1,84	↑ R\$ 2,74
Energy	R\$ 1,03	↑ R\$ 1,16	↑ R\$ 1,89	↑ R\$ 1,90	↑ R\$ 1,91	↑ R\$ 2,01	↑ R\$ 2,70	↓ R\$ 1,63	↓ R\$ 1,84
Transportation	R\$ 20,90	↑ R\$ 21,12	↓ R\$ 16,80	↓ R\$ 14,22	↑ R\$ 15,31	↓ R\$ 15,16	↓ R\$ 12,22	↓ R\$ 11,78	↓ R\$ 10,53
Sports and Leisure	R\$ 2,512	↑ R\$ 2,42	↓ R\$ 2,05	↓ R\$ 1,41	↓ R\$ 1,29	↓ R\$ 1,25	↓ R\$ 0,75	↓ R\$ 0,59	↑ R\$ 0,87

Source: adapted from Costa (2022).

The budget allocation functions mentioned in Table 1 cover sectors that, as Draibe (1997) indicated, traditionally encompass issues related to social protection such as Health, Education, Housing, Sports and Leisure, Sanitation, and Culture. Additionally, investment areas such as Science and Technology, Transportation, Environmental Management, and Industry were also considered due to the long-term benefits they can provide and the immediate impact on the economy when substantial allocations of resources are made. This is elucidated by Chang (2004), who analyzed how public spending constraints affect sectors that have historically been linked with a nation's development.

Note that the areas that receive most of the media's attention and demand social protection, such as Health and Education, continue to predominantly show arrows pointing upward year-on-year, indicating an increase in budget allocations. However, the situation during the pandemic (from 2020 to 2022) reveals that the influx of resources, the way it happened, was insufficient to prevent the worsening of the investment deficit and the deterioration of crucial areas that have been suffering over the decades. As an aggravating factor, it is stressed that within each function, there are multiple subfunctions in which the zone's budget is diluted, as can be seen in the education area case, as illustrated below:

Table 2. Historical series of budget execution of subfunctions within the education function (2013-2021) — sums in R\$ billions

Function	Subfunction	2013	2014	2015	2016	2017	2018	2019	2020	2021
Education	Total	R\$ 802,25	↑ R\$ 95,89	↑ R\$ 103,78	↑ R\$ 106,74	↑ R\$ 111,41	↑ R\$ 112,19	↑ R\$ 114,09	↓ R\$ 105,39	↑ R\$ 112,51
	Planning and Budgeting	R\$ 3,00	R\$ -	R\$ -	R\$ -	R\$ -	R\$ -	R\$ -	R\$ -	R\$ -
	General Administration	R\$ 4,85	R\$ 5,37	R\$ 6,18	R\$ 6,64	R\$ 1,099	R\$ 1,13	R\$ 0,95	R\$ 1,40	R\$ 1,15
	Financial Administration	R\$ 0,27	R\$ 0,12	R\$ 0,86	R\$ 0,91	R\$ 0,81	R\$ 0,80	R\$ 0,71	R\$ 0,85	R\$ 0,58
	Information Technology	R\$ 0,16	R\$ -	R\$ -	R\$ -	R\$ -	R\$ -	R\$ -	R\$ -	R\$ -
	Human Resources Training	R\$ 0,61	R\$ 0,67	R\$ 0,735	R\$ 0,744	R\$ 0,71	R\$ 0,82	R\$ 0,73	R\$ 0,40	R\$ 0,36
	Media	R\$ 29,22	R\$ 19,33	R\$ 23,12	R\$ 33,67	R\$ 34,87	R\$ 25,61	R\$ 23,64	R\$ 13,49	R\$ 19,55
	Primary Care	R\$ 0,48	R\$ 0,51	R\$ 0,53	R\$ 0,66	R\$ 0,69	R\$ 0,70	R\$ 0,71	R\$ 0,69	R\$ 2,80
	Hospital and Ambulatory (outpatient) Care	R\$ 3,86	R\$ 4,41	R\$ 6,01	R\$ 7,11	R\$ 7,90	R\$ 8,65	R\$ 9,02	R\$ 9,83	R\$ 10,72
	Prophylactic and Therapeutic Support	R\$ 2,00	R\$ 2,60	R\$ -	R\$ -	R\$ -	R\$ -	R\$ -	R\$ -	R\$ -
	Food and Nutrition	R\$ 4,62	R\$ 3,70	R\$ 3,77	R\$ 3,48	R\$ 3,91	R\$ 4,04	R\$ 3,98	R\$ 4,34	R\$ 4,21
	Worker's Protection and Benefits	R\$ 0,13	R\$ 0,13	R\$ 0,15	R\$ 0,20	R\$ 0,21	R\$ 0,20	R\$ 0,22	R\$ 0,21	R\$ -
	Vocational Education	R\$ 0,99	R\$ 0,12	R\$ 0,12	R\$ 0,12	R\$ 0,12	R\$ 0,12	R\$ 0,133	R\$ 0,13	R\$ 0,13
	Higher Education	R\$ 25,49	R\$ 27,91	R\$ 31,61	R\$ 32,19	R\$ 33,18	R\$ 34,09	R\$ 34,99	R\$ 35,90	R\$ 33,43
	Childhood Education	R\$ 2,06	R\$ 2,73	R\$ 0,44	R\$ 0,48	R\$ 0,16	R\$ 0,18	R\$ 0,11	R\$ 0,10	R\$ 0,97
	Youth and Adult Education	R\$ 0,66	R\$ 0,49	R\$ 0,52	R\$ 0,59	R\$ 0,12	R\$ 0,06	R\$ 0,19	R\$ 0,008	R\$ 0,006
	Special Education	R\$ -	R\$ -	R\$ -	R\$ -	R\$ -	R\$ -	R\$ -	R\$ -	R\$ 0,05
Basic Education	R\$ 8,20	R\$ 8,24	R\$ 7,44	R\$ 6,47	R\$ 7,20	R\$ 6,64	R\$ 8,55	R\$ 6,27	R\$ 6,20	
Scientific Development	R\$ -	R\$ 0,60	R\$ 0,52	R\$ 0,27	R\$ 0,28	R\$ 0,29	R\$ 0,37	R\$ 0,32	R\$ 0,29	
Technological Development and Engineering	R\$ 5,00	R\$ -	R\$ -	R\$ -	R\$ -	R\$ -	R\$ -	R\$ -	R\$ -	
Dissemination of Scientific and Technological Knowledge	R\$ 0,20	R\$ 0,20	R\$ 0,34	R\$ 0,33	R\$ 0,42	R\$ 0,43	R\$ 0,45	R\$ 0,48	R\$ 0,51	
Financial Services	R\$ 7,30	R\$ 12,13	R\$ 16,59	R\$ 18,71	R\$ 19,92	R\$ 17,38	R\$ 12,39	R\$ 6,57	R\$ 5,64	
Other Transfers	R\$ -	R\$ -	R\$ -	R\$ -	R\$ -	R\$ 600,00	R\$ -	R\$ -	R\$ -	
Other Special Charges	R\$ -	R\$ -	R\$ 0,40	R\$ 0,26	R\$ 6,58	R\$ 7,151	R\$ 7,27	R\$ 8,23	R\$ 8,59	
Transfers to Basic Education	R\$ 14,89	R\$ 14,18	R\$ 14,93	R\$ 15,06	R\$ 15,39	R\$ 15,72	R\$ 19,43	R\$ 17,35	R\$ 25,51	

Source: adapted from Costa (2022).

Despite the proposal of Constitutional Amendment No. 95 (CA 95) to revise the spending cap according to the National Consumer Price Index (IPCA) or another inflation indicator that could replace it (Brazil, 2016), the underlying rationale for the use of subfunctions resulted in a relative increase in the budget in areas such as Education and Health, as shown in Table 2. However, this increase did not result in effective investments to promote or continue the related public policies. As we analyze the aforementioned Table, in the Education budget execution, for example, there are competing finalist expenses (for education actions itself), medium expenses (which perform the necessary actions), and other random expenses such as Financial Services, Hospital and Ambulatory Care, and Prophylactic and Therapeutic support.

This occurs because, since Ordinance No. 42, on April 14, 1999, it has been possible to combine subfunctions and functions differently from those directly related to them (Brazil, 1999). Thus, corrupting the criterion of matrix management between functions and subfunctions, by logic, enables the possibility of capturing allocations that should come from the areas to which they teleologically refer; in contrast, it optimizes the combination of any function with any subfunction.

Furthermore, referring to the data in Table 2, there was a reduction in investment in Basic Education, Youth and Adult Education, Scientific Development, and Continued Education for professionals working in the field. In addition, despite the residual responsibility assumed by the Union concerning the states since 1988, the committed expenses for Higher Education returned to the level of resources from 2017, in 2021. In parallel, returning to the data from Table 1, the culture function, complementary to education, had, during 2021, just over 50% of the resources it had in 2013. The same occurred for Science and Technology.

Pires (2021) and Costa (2022) draw attention to the fact that states of exception, in general, direct their attacks — in this case, budgetary but not exclusively — against Education and Culture. They are camps of alleged chaos, treated as enemies, because, in general, they work

against the premise that it's “[...] required to numb society's capacity for political analysis to *normalize* states of exception” (Pires, 2021, P.152, emphasis added).

Other areas, such as infrastructure investments — Transportation, Energy, Industry, and Communications — historically associated with job generation and economic stimulation in the realm of Keynesian theories, have been overlooked. Thus, we observe, in budgetary management, the dismantling of the state's capacity to invest and innovate with new technologies through the defense of a doctrinal position specific to a plutocracy that presents itself as technocratic but makes “the contemporary discussions on economic development policy ahistorical” (Chang, 2004, p. 21). Consequently, propositions grounded in tautology and/or supported by the contemporary experiences of developed countries, which are currently dismantling their networks of fundamental rights, are accepted as true (Lanzara; Costa, 2021).

To achieve this, there is a choice of omission, in some cases, or explicit denial, in less sophisticated cases, of an entire past of state entrepreneurship, as emphasized by Mazzucato (2014) through the employment of interventionist industrial, commercial, and technological policies to boost infant industries, as well as strong protectionism for national producers and products, coupled with numerous violations of intellectual property rights through espionage and piracy, and also activist social policies, such as those promoting education. In a move of “kicking away the ladder” by which they climbed, the central countries of capitalism advocated policy packages and a series of measures they did not employ when they were developing economies themselves. Moreover, speculative rent-seeking and widespread investment strikes in productive activities, both by the state and the private sector, so that budgetary, tax and fiscal policies primarily benefit the international establishment rather than developing countries (Chang, 2004, p. 209).

This perspective aligns with that presented by Florestan Fernandes (1987), who examines how the Brazilian bourgeoisie developed, composing a capitalism whose accumulation capacity was circumscribed

by hegemonic countries. Under this frustrated trajectory, the Brazilian bourgeoisie consolidated itself through patrimonial and slaveholder practices, and like other bourgeoisie of peripheral capitalist countries, presents unique characteristics and a *modus operandi* that estranges itself from the path followed by the European kind.

At different historical moments, the different bourgeoisie, among which the Brazilian, made not only possible but also desired, for exceptional regimes to be installed only officially (when the suspension of rights is formal, material, and explicit). Such practices consolidated, for example, the French bourgeoisie and stifled the popular spirits in the streets of revolutionary Paris (Agamben 2004). Others managed to shape typologies of exception without the formal derogation of rights, which, among other issues open to analysis, concerns mainly how they interacted with other classes.

Considering the most recent Brazilian case, the way of dealing with the advancement of social policies culminating in CA No. 95 illustrates this argument. Even though there are no classes signaling intentions to initiate a revolutionary process to destabilize the *status quo*, the repression is legitimized with the embargo on rights. This can be achieved either by the effective capture of public funds through the neglect of certain agendas during the construction of budgetary laws or by dismantling the core of multiple social policies, such as the extinction of the National Council for Food and Nutritional Security (Consea) in 2019. Generally, these are strategies based on epistemic foundations that associate social policies with “*populist discourse(s)*”², validating a visible delegitimization and/or disbelief in political action in the realm of ideas.

At this point, the concept of permanent counter-revolution, developed by Fernandes (1987), becomes contemporary and relevant to this

² Questioned by reporters from *El País* about the increase in poverty and malnutrition in Brazil, President Jair Messias Bolsonaro, in addition to stating that talking about hunger is a “populist speech”, replied: “Saying that hunger happens in Brazil is a big lie. People don’t eat well and get sick. That, I agree. Now going hungry, no.” (JIMÉNEZ, 2019).

discussion. According to the author, the Brazilian historical formation, which is rooted in significant inequality and social servitude, points to a system built upon preventive mechanisms that block broader forms of poverty eradication and promotion of equal opportunities. This perpetuates structural poverty, where class factions cannot participate in the market; either as workers due to low qualifications, resulting in unemployment or low wages, or as buyers due to lack of income or insufficient purchasing power, strengthening hostility against defenders and beneficiaries.

Such analytical possibilities allow us to understand why underdevelopment should not be considered a state produced and maintained from poverty, but rather generated, conditioned, and regulated from the outside. This results from structural and conjunctural factors of the global market through the condensation of globalist forces (Slobodian, 2018), which allow control of the decision-making processes that regulate social life. Thus, the state of exception is transformed into a rule in which supposedly libertarian movements are hindered by the fatalism of the permanent economic crisis, in which already capitalized groups have captured the public budget.

Even budgetary allocations aimed at ensuring minimum spending in essential areas — and thus fulfilling constitutional promises of guarantees of fundamental rights — do not prevent resources from being taken away by obscure calculation methodologies within themselves. This topic will be discussed in the next section.

2. From social objectives to fiscal target supremacy and public debt sustainability

In this section, we analyze how even resources earmarked for a given purpose may not be converted into payments within the fiscal year to avoid affecting the primary result. When committed but not paid, they become outstanding commitments, which, from the perspective of

public financial health, represents the erosion of resource availability in the following fiscal year.

As Silveira (2019) stressed, this argument doesn't justify the progressive decoupling of revenues from social policies during the study period. A *trade-off* is generated; given the impossibility of determining whether the disadvantages outweigh the benefits of the linkage, as "on the one hand, there is a loss of flexibility in budget management, and on the other hand, there is a gain in control in resource allocation according to the various political interests involved" (Silveira, 2019, p. 123).

It should be noted that in a permanent economic emergency, the issue of political interest assumes a critical position. Over the decades, especially with the imposition of a spending cap by CA No. 95, a series of transformations in the constitutional framework have been established. It worked as a spiral of legislative mutations, resulting in a decline in the relevance of the constitutional system of expenditures with social rights and compulsory minimum obligations, migrating to the void of budgetary non-execution.

A parallel issue, but crucial for the debate, involves the non-execution of expenses in monthly programming aimed at hoarding considerable portions of earmarked federal resources, that is, funds that are linked to specific areas but not effectively used. According to Afonso and Pinto's (2014) survey, approximately 85% of the resources of the National Treasury cannot be used discretely for any payment. That shows a contradiction related to social objectives, but is consistent with the argument of the supremacy of the fiscal target, revealing "[...] a kind of financial dominance over the budgetary, fiscal, and tax systems" (Afonso; Pinto, 2014, p. 9-10).

Once again, the choice to hoard resources instead of paying expenses linked to them results in the creation of a parallel budget of outstanding commitments, diverting from the constitutional purpose for which taxes are collected. The financial management of the federal public budget starts prioritizing the reduction of public debt, especially

net debt, thus generating an illusory primary surplus. As an example, Table 3 illustrates the composition of the National Treasury subaccount by earmarked resources for 2019 and 2020.

Table 3. National Treasury subaccount by linkage (sums in billions)

Resources	2019	2020
Regular Resources	R\$ 153,39	R\$ 117,86
Earmarked Resources	R\$ 657,26	R\$ 650,48
Education	R\$ 17,32	R\$ 13,12
Social Security (except Social Welfare)	R\$ 40,00	R\$ 57,26
Social Security (Public Servants)	R\$ 1,90	-R\$ 2,32
Social Security (General System)	R\$ 1,39	R\$ 8,31
Financial Revenue Resources	R\$ 27,81	R\$ 27,05
Public Debt	R\$ 195,13	R\$ 191,26
Disposal of Assets and Rights	R\$ 4,29	R\$ 5,71
Constitutional and Legal Transfers	R\$ 15,68	R\$ 21,85
Other Funds, Agencies, and Program Resources	R\$ 285,65	R\$ 314,49
Other Earmarked Resources	R\$ 14,61	R\$ 15,44
Resources to be Classified	-R\$ 1,53	-R\$ 1,69
In Transit Public Debt Resources to be Classified ⁵	R\$ 2,64	R\$ 12,66
Total	R\$ 813,28	R\$ 780,99

Source: adapted from Costa (2022).

Analyzing the previous data, it is possible to verify that resources from multiple areas with linked expenses are invested in a single National Treasury account. According to Table 1, in 2019 and 2020, were committed, on the federal level, R\$ 114.09 billion and R\$ 105.39 billion to the Education function, level. During those years, the National Treasury subaccount with values linked to Education held R\$ 17.31 billion (in December 2019) and R\$ 13.12 billion (in December 2020). On the other

hand, expenses committed in those years, but not paid, generated a bill to be paid the following year, totaling outstanding amounts of R\$ 17.32 billion and 16.45 billion, respectively. The data are summarized in table:

Table 4. Committed, Liquidated, Paid, and Outstanding Commitments values in the Education function (2019-2021) in billions

Year	Committed	Liquidated	Paid	Outstanding Commitments
2019	R\$ 114,08	R\$ 98,45	R\$ 94,47	R\$ 19,61
2020	R\$ 105,39	R\$ 92,06	R\$ 88,08	R\$ 17,32
2021	R\$ 112,51	R\$ 100,28	R\$ 96,06	R\$ 16,45

Source: adapted from Costa (2022).

Although earmarking revenues may seem to serve the interests of investors, intensifying competition for the public budget while further frustrating its redistributive capacity, CA No. 109, dated May 15, 2021, has redefined a set of understandings regarding the current Financial Law. For example, it includes a proposal for declaring a national state of emergency, the application of compensatory mechanisms for fiscal adjustment to enable Emergency Aid, and the inclusion of retirees and pensioners in personnel expenditure calculations (Brazil, 2021), among other measures aimed at constraining expenditure.

Furthermore, CA No. 109 stipulates that the elaboration and execution of plans and budgets reflect the compatibility between fiscal indicators and the sustainability of public debt. This includes, among other measures, planning for the divestment of assets to reduce debt (Brazil, 2021). In the process of dismantling the welfare state, the neo-liberal worldview is thus constitutionalized, asserting that the massive privatization of state-owned enterprises brings a dual solution: on the one hand, it mitigates part of the fiscal deficit of the state, and on the other hand, it mitigates the financial burden of end-purpose provisions for the alienated entity.

Article 165, § 2 of this CA also brought a new function to the Budgetary Guidelines Law (LDO). Before the CA, the LDO should account for the goals and priorities of federal public administration, including capital expenditures for the subsequent fiscal year. Afterward, it became mandatory to establish guidelines for fiscal policy and their respective targets in line with a sustainable trajectory of public debt.

Meanwhile, operating as yet another appendix to the supremacy of debt services over other demands that the state should meet to comply with the determinations of the 1988 Constituent Assembly, EC No. 109 provides, in Article 167, § 4, the linking of tax incomes to pay union debts and to provide a guarantee or counter-guarantee regarding a specific list of taxes (Brazil, 2021). Except for the principle of non-allocation of tax revenue to an agency, fund, or expense, the aforementioned provision renders any defense that taxation serves social purposes, mere rhetoric.

Another device that confirms this inference is Article 167-F, II. It provides for the possibility of a financial surplus calculated on December 31 of the immediately preceding year, to be allocated to cover expenses arising from measures to combat national public calamities and to pay public debt (Brazil, 2021). This decision shows that, according to the letter of the law and its enforcers, a pandemic emergency, such as COVID-19, and an economic emergency, such as the low liquidity of banks during the 2008-2009 financial crisis, do not hold the same weight. The latter has greater merit for state intervention initiatives. Budget execution evidences this predilection, further revealing the secondary role of the defense and promotion of fundamental rights.

3. Conclusions

The article discussed how, in Brazil, over the decades, there has been federal level, monthly programming, budget withholding, budget release, and the effective distribution of budgetary resources. Considering the rise in recent years, both in the global and national academic scenarios,

regarding the possibility of the resurgence of political regimes of exception, and thus authoritarian, this article concludes that little visibility was designed for an in-depth discussion about authoritarian forms of public budget management and their implications on democratically established social objectives.

At this point, it is imperative not to forget Hermann Heller's (2015) arguments about how authoritarian liberalism makes exceptions to the rule. This happens especially by assimilating democratic mechanisms to ostensibly ensure legality and legitimacy for exceptional dynamics, in which the implementation of fundamental rights is assigned a secondary role. Thus, the non-execution of public policies has been normalized as a result of the persistent economic abnormality that demands sacrifices and suspension, even if unofficial, of laws that guarantee rights and protection of the social fabric.

Regardless, according to the logic intrinsic to capitalized market operations, this sacrifice does not apply to everyone in the same way that access to goods and products is not universal. Contrary to the generalization of this assertion, public goods and services are still considered fundamental for the satisfaction of minimum existential needs and, therefore, continuously provided by the state, such as public education and health.

Therefore, the mere transfer of the State's responsibility to provide goods and services that concretize fundamental rights, which otherwise would not be available, proves to be extremely harmful and indicative of rationality, contrary to societal interests. That's because, as history shows, the market is not interested in generating positive results for those who depend most on the state, such as the poor, marginalized, or non-citizens.

For this reason, it is not simply an unfounded belief that it is justifiable to defend the state because of the lack of substitutes. The cessation of investments by the private sector, which intentionally chooses to generate unproductive capital, makes it unfeasible to effectively

promote sustainable economic growth and a more equitable distribution of its benefits. Following this logic of austerity, there is a denial of the need to restore the investment capacity of the state in sectors such as infrastructure, new technologies, science, and education.

In that regard, and fulfilling the objective of reflecting on how mechanisms of economic emergence can be incorporated into the management of the federal public budget and what the consequences of this process are for the promotion of social rights, a need is emphasized: to deepen the analyses of this research basis, with emphasis on the recognition of the economic exception's institutionalization, which, even without the formal derogation of democracy, promotes a double process of institutional deformation in the state. As a result, this naturalizes, on the one hand, state inaction and, on the other, creates a more favorable environment for capital concentration and, therefore, for the growth of social inequalities.

After the introduction, this paper stresses the relationship between Brazilian fiscal policies and CA No. 95, underlining the failure of the political project to stabilize GDP growth or favor socio-economic development. The analysis highlights the inadequacy of investments in essential sectors, such as Health and Education, exacerbated by flexibility in budget distribution and disconnection of resources from priority areas. Furthermore, reflections are articulated, suggesting that budgetary management, aligned with technocratic and authoritarian visions, contributes to deindustrialization, weakening of social policies, and perpetuating structural inequality in Brazil.

Finally, this article addresses the ineffectiveness of linking resources to social policies due to the practice of committed values without payment, resulting in Outstanding Commitments. This erodes resource availability in the subsequent fiscal year and consolidates the trade-off between flexibility in budget management and control in resource allocation. In addition, this study also examines the issue of hoarding earmarked federal resources, shedding light on the creation of a parallel

budget for Outstanding Commitments. Hence, it compromises the constitutional purpose of taxes, prioritizing fiscal policy and ensuring the sustainability of public debt.

These discussions contribute to the strengthening of the field of study on the management of public budgets and the possibilities of economic exceptions resulting therefrom. It also adds to the research's results that epistemic resistance attributes value to politics, the state, and the existence of multiple political actors with equally diverse political projects. Accordingly, that raises the question about which of these projects should be sacrificed for others to thrive.

Among the limitations of this study, the scarcity of compiled and analyzed data stands out, which, despite substantiating the main arguments, compromises the possibility of generalizing permanent economic exception over time, as well as in budgetary functions and sub-functions. Consequently, new opportunities are created for future studies to delve into the teleological observance of objectives democratically instated by the Federal Constitution.

References

ABRANCHES, S. *O tempo dos governantes incidentais*. São Paulo: Companhia das Letras, 2020.

AFONSO, J. R.; PINTO, V. C. Disponibilidade e desvinculação financeira. *Texto para Discussão*, Rio de Janeiro/São Paulo: FGV-Ibre, n. 39, jun. 2014.

AGAMBEN, G. *Estado de exceção*. São Paulo: Boitempo, 2004.

BRASIL. Portaria n. 42, de 14 de abril de 1999. Atualiza a discriminação da despesa por funções de que tratam o inciso I do § 1º do art. 2º e § 2º do art. 8º, ambos da Lei n. 4.320, de 17 de março de 1964, estabelece os conceitos de função, subfunção, programa, projeto, atividade, operações especiais, e dá outras providências. *Diário Oficial da União*, Brasília, DF, 1999.

BRASIL. Emenda Constitucional n. 95, de 15 de dezembro de 2016. Altera o Ato das Disposições Constitucionais Transitórias, para instituir o Novo Regime Fiscal, e dá outras providências. *Diário Oficial da União*, Brasília, DF, 2016.

BRASIL. Emenda Constitucional n. 109, de 15 de março 2021. Altera os arts. 29-A, 37, 49, 84, 163, 165, 167, 168 e 169 da Constituição Federal e os arts. 101 e 109 do Ato das Disposições Constitucionais Transitórias; acrescenta à Constituição Federal os arts. 164-A, 167- A, 167-B, 167-C, 167-D, 167-E, 167-F e 167-G; revoga dispositivos do Ato das Disposições Constitucionais Transitórias e institui regras transitórias sobre redução de benefícios tributários; desvincula parcialmente o superávit financeiro de fundos públicos; e suspende condicionalidades para realização de despesas com concessão de auxílio emergencial residual para enfrentar as consequências sociais e econômicas da pandemia da covid-19. *Diário Oficial da União*, Brasília, DF, 2021.

CHANG, H. J. *Chutando a escada: a estratégia do desenvolvimento em perspectiva histórica*. Tradução: Luiz Antônio Oliveira de Araújo. São Paulo: Fundação Editora Unesp, 2004.

COSTA, T. F. F. T. *Excessos democráticos como inimigo: a emergência econômica como moduladora das capacidades estatais no Brasil*. 2022. 200 f. Dissertação (Mestrado Profissional em Administração Pública) — Universidade Federal Fluminense, Volta Redonda, 2022.

DRAIBE, S. M. Uma nova institucionalidade das políticas sociais? Reflexões a propósito da experiência latino-americana recente de reforma dos programas sociais. *São Paulo em Perspectiva*, São Paulo, v. 11, n. 4, p. 3-21, 1997.

FERNANDES, F. *A revolução burguesa no Brasil: ensaio de interpretação sociológica*. 3. ed. Rio de Janeiro: Guanabara, 1987.HELLER, H. Authoritarian liberalism. *European Law Journal*, v. 3, n. 21, p. 295-301, 2015.

JIMÉNEZ, C. Bolsonaro: “Falar que se passa fome no Brasil é uma grande mentira, é um discurso populista”. *El País*, Brasília, 19 jul. 2019.

LANZARA, A. P.; COSTA, T. F. F. T. O Brasil e a democracia no início do século XXI: entre a soberania popular e a austeridade. *Revista Brasileira de Estudos Políticos*, n. 123, p. 85-128, dez. 2021.

MAZZUCATO, M. *O Estado empreendedor: desmascarando o mito do setor público vs. setor privado*. São Paulo: Portfolio-Penguin, 2014.

PAIVA, A. B. et al. *O novo regime fiscal e suas implicações para a política de assistência social no Brasil*. Brasília: Ipea, 2016. (Nota Técnica, n. 27).

PINTO, E. C.; GONÇALVES, R. *Modelos de desenvolvimento e desempenho macroeconômico: Brasil*. Rio de Janeiro: UFRJ, 2015. (Texto de Discussão, v. 17).

PIRES, L. M. F. *Estado de exceção: a usurpação da soberania popular*. São Paulo: Contracorrente, 2021.

SILVEIRA, F. S. A. *O estado econômico de emergência e as transformações do direito financeiro brasileiro*. Belo Horizonte: D'Plácido, 2019.

SLOBODIAN, Q. *Globalists: the end of empire and the birth of neoliberalism*. Cambridge: Harvard University Press, 2018.

TEMER diz que limitação dos gastos é “corte na carne”. *Jornal do Comércio*, Porto Alegre, 22 jun. 2016. Disponível em: https://www.jornaldocomercio.com/_conteudo/2016/06/politica/506154-temer-diz-que-limitacao-dos-gastos-publicos-e-um-corte-na-carne.html. Accessed on: 25 Oct. 2022

About the authors

TELMA FERREIRA FARIAS TELES COSTA – Ph.D. candidate in Public Policies and Human Development in the Graduate Program in Public Policies and Human Development. Researcher affiliated with the Center for Strategic Studies of Fundação Oswaldo Cruz (CEE-Fiocruz).

E-mail: tfcosta@gmail.com

ARNALDO PROVASI LANZARA – Ph.D. in Political Science from the Institute of Social and Political Studies. Adjunct Professor at the Institute of Human and Social Sciences (ICHS/UFF).

E-mail: prolanzara@gmail.com

