A major share of the tax burden in Western countries fund social policies. Brazilian social policies present a similar scenario. The same is true for Brazil, where the distribution of income and wealth, and social policies themselves, are a central issue of the national policy agenda. Brazilian State policies usually do not reduce inequalities, since tax collection is regressive and the distribution of those resources do not represent a priority (Matijascic, 2015).

The purpose is to describe the main public social policies, namely, pensions, healthcare, education and social assistance, with a view to measuring coverage, quality and highlighting its basic policy dilemmas. Social Order established by the Federal Constitution of 1988 is composed of the following chapters: Health, Social Security, Social Assistance, Education, Culture and Sports, Science and Technology, Social Communication, Environment, Family, Children, Adolescents and the Elderly, and Indigenous populations. This broad range of policies surpasses, according to international definitions, the content of social policies. Hence, Health, Social Security, Social Assistance and Education were chosen to compose analyze public policies.

The period selected begins with the promulgation of the Federal Constitution (FC) in 1988 and covers the re-democratization social agenda. There was an economic crisis during much of this period, resulting in high levels of unemployment and an increasing number of workers involved in irregular occupations. The budget deficit increased during the crisis. The cost of the public debt has always represented a high share of the Brazilian state’s expenditures. Hence, the debate on constitutional reforms is always on the agenda as a way of overcoming the dilemmas of public finances, seeking to reduce the financial costs of social policies.

In this analysis of Brazilian social policy, we first look at the evolution of coverage, which has improved, and policy performance, which has been less encouraging. The second part focuses on the reform debate, namely, the limitations imposed by the labor market, funding, demography and institutional contradictions. Brazil’s military governments (1964-85) favored centralized action with respect to public policy at the federal level. Re-democratization, beginning in 1985 was associated with decentralization toward sub-national governments. The diverse infra-constitutional legislation for health, social assistance, education, culture that were articulated and coordinated at the national level, further defined at the regional level where responsibilities were allocated according to available resources, and carried out at the local level by intergovernmental bipartisan and tripartite commissions, where politicians, social organizations and technocrats planned, negotiated, and implemented social policies. All those policy decisions had to be decided by consensus.

The justifications for the adoption of the Constitutional Amendment (PEC 287/16) were based on fiscal and demographic concerns and with a view to breaking the gap between rules for private and public sector workers. The criticisms of PEC 287/16 are focused on the questioning of the proposed parameters and their potential inadequacy in relation to living conditions in Brazil. The arguments of the debate and its limits will be described in the next sections. While the efforts to approve PEC 287 have been unsuccessful, their content and the process of negotiations and debates influenced debate over the reform agenda, and it is therefore important to highlight the details.

The 1988 FC was essential for determining the path of social policies. Its results highlight a significant increase in social security, health and education coverage, as well as a significant increase in the scope of welfare. However, results involving quality and performance are controversial. In addition, the specificities of an underdeveloped country have important implications for funding and institutional issues. Demography also requires attention. However, the most important concerns the labor market, whose characteristics are essential in terms of its implications for social policies in Brazil.

By focusing on the indicators related to funding in Brazil, there is a very intense debate, but it can be quite erroneous when the focus shifts towards local
peculiarities. On the one hand, it is not possible to expect that the contributions on payroll taxes can fund all pension benefits, considering the reduced density of contributions. The adoption of the Social Welfare Budget, as mandated by the 1988 FC, is unavoidable. However, the fact that this budget presented a surplus in the years preceding the current economic crisis does not mean that there are no further problems. There are many inconsistencies related to benefit plans. Problems involving the labor market, demographic profile and institutional problems are analyzed in the following sections.

There are major problems affecting social security and social policies related to the labor market, characterized by precariousness. This phenomenon is essential for explaining issues related to funding and the aging agenda. Aging presents greater challenges for healthcare rather than pensions. Elder care is far more complex when compared to the care of young people and adults. Diseases among the elderly tend to be chronic or require costly interventions. In this sense, the potential reduction of costs of education associated with an ageing society tend to be far outweighed by higher health expenditures. Greater attention to living and working conditions is essential for workers to reach old age in better shape.

There are many examples of mismanagement and structural problems. There is a tendency to introduce legislation to prevent problems, while monitoring is very precarious. In addition, supervision does not integrate the different areas of government. Consequently, the system is inefficient in detecting problems, and costly for companies that need to deal with a large number of institutions, raising administrative costs.

Brazilian social policies play a central role among citizens, accounting for the largest share of public spending. Their importance is undeniable, since levels of coverage are high and they reach almost all of those who need protection. The number of older people who are not covered by pension or social assistance benefits, and the number of children without access to school is reduced. Among healthcare social assistance policies, coverage and scope are at record highs. Brazil’s 1988 FC explains these achievements. Currently, the central problem lies in the quality of social services policies as shown by healthcare and educational indicators.

Coverage is high, but far more efforts are needed to improve the quality of social policies. Specific care for vulnerable groups represent an open arena.

Benefit plans contain serious problems, since the better-off groups have generous rights. Retirement before age of 60 and the possibility to earn occupational income after retiring makes no sense, especially when unemployment is growing. The public health and education challenges are serious, since their quality is poor. With education, effective learning represents a key problem, as revealed by PISA. Many administrative procedures require modernization, since classroom and school environments are precarious.

One of the major problems with respect to social security expenditures is the precariousness of social services in Brazil. The need to use out of pocket resources to deal with the vulnerabilities of the public services and contractual limitations of private health plans are key to understanding the battle to maintain higher replacement rates for pensions. The lack of specific social services to support the aged and vulnerable populations makes it difficult to adopt reforms, since the population rejects losses, without compensation mechanisms such as faster access to medical specialists and public better policies to distribute medicine.

Most reform proposals do not take into account the precariousness of local labor market conditions. Demographic debate also reveals similar problems. It is incorrect to state that demography, per se, can generate the unfeasibility of social security. Even in periods of so-called demographic bonus, the number of non-contributors was immense. Unemployment, informality in labor relations and the lack of respect for social rights have always reduced the number of individual contributors. Whenever the conditions for resuming economic growth reappear, it would be possible to create jobs, reducing unemployment and informality. Nevertheless, reforms are needed even if economic growth resumes, since benefit plans are too generous and poor management effectively affects the quality of social policies.

It is incorrect to state that Social Welfare Budget resolves financial issues. The existence of potential surpluses stimulates inefficiencies, reducing the potential of its use for other public policies, which could positively affect economic and social welfare. On the other hand,
using strict actuarial assumptions for every individual is unfeasible within such a labor market. Vulnerability is the key characteristic of the Brazilian society and those workers cannot be abandoned when they get old, since the State’s has not adopted a more vigorous approach to supervising social rights and labor relations. In other words, social policies will have to adapt to the labor market situation.

Since regular national and regional statistics were adopted in Brazil, the situation is characterized by high levels of informality, associated with the precariousness of labor relations. Financing via general taxes is unavoidable. When social policies are efficient and focused on well-being by protecting the most vulnerable groups, they represent an important support for the economy. This scenario may create a foothold to stabilize income throughout the life cycle. This is a fundamental issue, since Brazilians more than ever intend to promote sustainable development.

REFERENCE