

Federal spending on social policies and the social determinants of health: where are we going?

Gasto federal com políticas sociais e os determinantes sociais da saúde: para onde caminhamos?

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DOI: 10.1590/0103-11042020127011

ABSTRACT Ensuring the highest possible level of health for the population depends on public investments in social policies, since health is determined by factors related to the conditions in which people live and work, the so-called Social Determinants of Health (SDH). Thus, this article aims to quantify Brazil's federal spending on sectoral social policies in the last decade in order to analyze its recent trajectory in a context of economic crisis and fiscal austerity, and to discuss the risk of worsening the health status of the population. To this end, financial data as from the federal executive branch retrieved from Siga Brasil system were used. The results show a reduction in spending on seven of the ten policies analyzed between 2013 and 2019. There was an increase in spending for policies linked to social security, which are related to constitutionally registered rights, with a tradition of enforcing compliance through the justice system. These findings reveal that, despite the increase in expenditure for these policies, other important policies carried out within SDH were de-financed, making it difficult to achieve progress in the health condition of the population, while putting them at risk of setback.

KEYWORDS Financing, government. Social Determinants of Health. Public expenditures. Public policy. Health status.

RESUMO A garantia do mais alto nível possível de saúde à população depende de investimentos públicos em políticas sociais, uma vez que a saúde é determinada por fatores relacionados com as condições nas quais as pessoas vivem e trabalham, os chamados Determinantes Sociais da Saúde (DSS). O objetivo deste artigo foi quantificar o gasto federal do Brasil com políticas sociais setoriais de 2010 a 2019, a fim de analisar sua trajetória recente, em uma conjuntura de crise econômica e de austeridade fiscal, e de discutir o risco de piora da situação de saúde da população. Para tanto, foram utilizados dados de execução financeira do Poder Executivo federal obtidos do Siga Brasil. Os resultados mostram redução do gasto com sete das dez políticas analisadas entre 2013 e 2019. Houve aumento de gasto para as políticas vinculadas à seguridade social, as quais se relacionam com direitos constitucionalmente inscritos, com tradição de exigibilidade de seu cumprimento via sistema de Justiça. Esses achados revelam que, a despeito do aumento de despesa para essas políticas, outras políticas importantes, que atuam sobre DSS, foram desfinanciadas, dificultando a obtenção de progressos na situação de saúde da população, ao mesmo tempo que a coloca sob risco de retrocesso.

PALAVRAS-CHAVE Financiamento governamental. Determinantes Sociais da Saúde. Despesas públicas. Política pública. Nível de saúde.

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Introduction

Brazil has experienced relevant social advances since the Federal Constitution of 1988 (CF 1988) by means of the social policy, although, under that policy, improvements have been carried out differently among sectoral policies¹ and characterized by contradiction. Such contradiction exemplifies the need for the State to expand the provision of public health and education services so to comply with constitutionally established rights. However, concomitantly to that expansion, the State emboldens the private supply of services also by means of health tax waiver, as by public subsidy to students enrolled in universities, fomenting the profitability of entrepreneurs from both sectors².

Although the contradiction was and remains present in social policy, advances are undeniable and may risk to be threatened. Since the beginning of the last decade, the country has been living a turbulent period in the economic and political fields, advancing potential impacts on the social area by also the unfeasibility of advancements as the causing of setbacks in that field. Gross Domestic Product (GDP) decreased by 3.15% in 2015 and by 2.93% in 2016. During that period, the economic recession served as fuel for the political crisis³, which lasts until today. On the explanation of responding to the economic crisis, drastic fiscal austerity measures have been adopted, having as their maximum example, at least to date, the enactment of Constitutional Amendment (EC) No. 95 in 2016, which 'freezes' the Union's primary expenditures until 2036⁴.

The risks resulting from EC 95 for the granting of the right to health⁵ and social assistance⁶ were alerted still in the course of EC proceedings in the National Congress. It was also warned about its potential to damage the economy and public policies in general⁷. Nevertheless, the amendment passed, making it clear that the objective behind the measure was not the adjustment of public accounts, which would require a sooner inception, but

rather to unlink health and education expenses from revenues and reduce the size of the State^{8,9}.

Although EC 95 is the strictest fiscal adjustment measure adopted in Brazil and in the world¹⁰, there is the possibility that more radical actions be implemented, worsening the financing of social policies in the country. More recently, the federal government proposed the Plan Mais Brasil, submitted to the National Congress by senators from the government's base in the form of three Proposals for Amendment to the Constitution (PEC), with the purpose of unlinking and de-indexing expenses and releasing the Federation entities from its enforcement. The Plan is comprised of PEC 186 (Emergency), PEC 187 (Public Funds) and PEC 188 (Federative Pact)¹¹.

Those proposals intensify the implementation of the ongoing fiscal austerity policy, less on revenue and more on public spending, particularly impacting social spending. Under the understanding of the Federal Prosecutor's Office for Citizen's Rights at the Public Prosecution Ministry, they are unconstitutional proposals, incompatible with the CF 1988, because they advocate the control of public debt over the fundamental rights and guarantees provided for therein¹². However, even if those PEC clearly cause setbacks in the social field, they can pass, as occurred with EC 95, which is blatantly unconstitutional for de-funding policies aimed at ensuring social rights¹³.

Sectoral social policies are elements of social policy and consist in programs and actions of the State so to ensure the supply of goods and services, transfer of income, and market regulation, whose main objectives are both to protect the citizen against the risks of becoming a life of dependence and vulnerability and to create opportunities^{1,14}. They are relevant to guarantee the highest possible level of physical and mental health to each individual, something internationally recognized as a human right¹⁵. This is due to fact that the health of people is determined by factors

related to the conditions in which they live and work, the so-called Social Determinants of Health (SDH)¹⁶.

The CF 1988 defines that the right to health will be granted by means of economic and social policies¹⁷, while a federal law recognizes as determinants and conditioning factors of health: food, housing, basic sanitation, environment, work, income, education, physical activity, transportation, leisure and access to essential goods and services¹⁸.

Thus, considering that the population health depends not only on public investments for the supply of health goods and services but also on investments in other sectors of social policy, such as social assistance, education, housing, among others, the object of this article is to quantify Brazil's federal spending on sectoral social policies from 2010 to 2019, so to analyze its late trajectory in a context of economic crisis and fiscal austerity, and to discuss the risk of worsening health conditions of the population.

Material and methods

Studies on the budgetary and financial execution of public administration are grounded on the modern theory that defines public budgeting as a management tool, by which government programs are explained in monetary terms¹⁹. As the budget estimates the revenues to finance public policies and quantify the spending on these policies, budgeting is an important source of information for the analysis of resource allocation and, consequently, for the examining of government priorities in the enforcement of public policies²⁰.

As for the calculation of federal expenditure, the following sectoral social policies were admitted: social assistance, culture, rural development, education, housing, social security, sanitation, health, work and income, and urbanism¹.

The expenses of each policy were calculated as from the sub-functions linked to each function, and its adjustments, since that structure of expense classification is considered a good estimate of sectoral policy spending. Within the budget, a function is the highest level of aggregation of the public administration performing areas, and, in general, is related to the mission of each body. In turn, the sub-function identifies the basic nature of actions organized around the functions²¹. The Ordinance of the Ministry of Planning No. 42, of April 14, 1999, lists the functions and respective sub-functions²².

The expenditure calculation was carried out by means of sub-functions instead of the functions, because, in general, the budget-financial programming of an organism is classified into a single function, while the sub-function is selected as to the governmental action. As the aim is to identify the expenditure on a given policy, regardless of the organism performing the actions, the sub-function was the structure adopted. Still, some adjustments were made to better identify expenses.

For example, function 12, education, was linked to the following sub-functions: 361 – elementary school, 362 – high school, 363 – vocational education, 364 – university education, 365 – childhood education, 366 – education of young people and adults, 367 – special education, and 368 – basic education. When only this structure of expenditure classification is adopted, part of the expenditure would be disregarded since it is recorded as function 28, special charges, sub-function 847 – transfers to basic education, for which the Union supplements the Fund for the Development and Maintenance of Elementary Education and Recognition of the Teaching Profession (Fundeb). Thus, some adjustments were made as for expenses by sub-function, taking into account programs and budget actions. *Table 1* shows the relation between sectoral social policies, sub-functions and the adjustments implemented.

Table 1. List of sectoral social policies and the corresponding sub-functions included to identify federal spending

Sectoral social policies	Sub-functions included	Observations
Social assistance	241 - Elderly care 242 - Disabled care 243 - Child and adolescent care 244 - Community care 306 - Food and nutrition (budgetary actions 2151, 2784, 8457, 8506, 8624 and 8894) 845 - Other transferences (budgetary actions 0558, 0989, 8929, 8930 and 0A25)	Subfunctions linked to the social assistance function: 241, 242, 243 and 244. It comprises expenses with the Bolsa Família Program, with the Continuous Cash Benefit (BPC), with services - socio-assistance and other social assistance actions. In subfunction 306, it comprises expenses carried out in the actions: 2784 - Consume Promotion of Healthy and Adequate Food, 8457 - Support to Food and Nutrition Security Projects for Traditional Peoples and Communities, 8624 - Support for the Implementation and Management of the National Food and Nutrition Security System - Sisan, 8506 - Food Security and Local Development Consortia, 8894 - Improvement of Socioeconomic Conditions of Families and 2151 - Consolidation of the National Food and Nutritional Security System Implementation. In subfunction 845, it includes expenses in the actions: 8929 - Support for the Setup of Popular Restaurants and Kitchens, 8930 - Support for the Implementation of Food Banks and Public Markets, 0558 - Support for the Implementation of Food Banks, 0A25 - Support for the Setup of Community Kitchens, and 0987 - Support for the Installation of Popular Public Restaurants and Small Units of Production and Marketing of Meals.
Culture	391 - Historical, artistic and archaeological heritage 392 - Cultural dissemination	Subfunctions linked to the culture function: 391 and 392. It comprises expenses for the preservation of the historical heritage and promotion and funding of the Brazilian culture.
Rural development	606 - Rural extension 306 - Food and nutrition (budgetary actions 2798 and 8458) 846 - Other special spending (budgetary actions 0359)	Of the subfunctions linked to the agriculture function, subfunction 606 comprises expenses related to family farming. It includes expenditure on land reform and on the promotion and strengthening of family farming. In subfunction 306, it comprises expenses carried out in budgetary actions: 2798 - Acquisition and Distribution of Food from Family Farming and 8458 - Support to Urban Agriculture. In subfunction 846, it comprises expenses with action 0359 - Contribution to the Security Fund - Harvest (Law No. 10,420, 2002).
Education	361 - Elementary school 362 - High school 363 - Vocational education 364 - University education 365 - Childhood education 366 - Education of young people and adults 367 - Special education 368 - Basic education 306 - Food and nutrition (budgetary actions 0513, 8744 and 00PI) 846 - Other special spending (programs 1073 and 1061) 847 - Transfer to basic education	Subfunctions linked to the education function: 361, 362, 363, 364, 365, 366, 367 and 368. It comprises expenses in the different areas of education: early childhood, elementary, secondary and higher education, as well as youth and adult education and vocational education. Early childhood, elementary and high education are part of basic education. It also comprises expenditure on the Union's employees. In subfunction 306, it comprises expenses implemented in budgetary actions: 0513 - Support for School Feeding in Basic Education, 8744 - Support for School Feeding in Basic Education and 00PI - Support for School Feeding in Basic Education (PNAE). In subfunction 846, it includes expenditure on the programs: 1073 - University of the 21st Century and 1061 - Brazil Schooled. In subfunction 847, expenses related to the complementation of the Union to the Fund for the Development and Maintenance of Elementary Education and Recognition of the Teaching Profession (Fundeb).
Housing*	481 - Rural housing 482 - Urban housing 845 - Other transfers (program 2049) 846 - Other special charges (program 2049 from 2012 to 2019 and the budgetary actions 00CW, 00CX, OE64, 00AF, 00CY, 0465 and 0467 between 2010 and 2011)	Subfunctions linked to the housing function: 481 and 482. It comprises expenses with dignified housing and housing of social concern. There was no record of expenses in subfunction 481 within the analyzed period. In subfunction 846, expenses with the Minha Casa Minha Vida Program and other initiatives aimed at improving housing conditions are recorded. It comprises the 2049 program - Dignified Housing and the following budgetary actions: 00CW - Economic Subsidy For the Implementation of Projects of Social Concern in Urban Areas, 00CX - Economic Subsidy For the Implementation of Projects of Social Concern in Rural Areas, OE64 - Economic Subsidy For Housing of Social Concern in Cities with Less than 50,000 inhabitants, 00CY - Transfers to the Social Development Fund - FDS, 00AF - Payment of Shares to the Residential Leasing Fund, 0465 - Coverage of the Housing Insurance Deficit, and 0467 - Credit Insurance Claims Coverage (Fundhab).

Table 1. (cont.)

Sectoral social policies	Sub-functions included	Observations
Social security	271 - Basic social security 272 - Statutory social security 273 - Supplementary social security 274 - Special social security	Subfunctions linked to the pension function: 271, 272, 273 and 274. It comprises expenses with civil and military retirement pensions within the Executive Branch, social security benefits and expenses for maintenance of units of the National Institute of Social Security (INSS).
Sanitation	511 - Basic rural sanitation 512 - Basic urban sanitation 846 - Other special charges (program 0122)	Subfunctions linked to the sanitation function: 511 and 512. It comprises expenditure on social technologies for access to water for human consumption and for basic sanitation. In subfunction 846, it comprises expenses with program 0122 - Urban Environmental Sanitation.
Health	122 - General administration (budgetary action 4525) 301 - Basic care 302 - Hospital and outpatient care 303 - Prophylactic and therapeutic support 304 - Sanitary surveillance 305 - Epidemiological surveillance 306 - Food and nutrition (budgetary actions 0806, 4294, 8519, 8735 and 20QH) 423 - Assistance to indigenous peoples (budgetary actions 6501, 8743 and 20YP) 845 - Other transfers (programs 1303 and 1311) 846 - Other special charges (programs 1303, 1214, 1216, 1187, 1311, 1220 and 1300)	Subfunctions linked to the health function: 301, 302, 303, 304, 305 and 306. The largest share of expenditure is allocated to the Unified Health System. It comprises medical assistance expenses for civilian and military government employees. In subfunction 306, it comprises expenses performed in the actions: 0806 - Support to Studies and Research on Food and Nutrition, focusing on Nutritional Recovery and Healthy Eating, 4294 - Prevention and Control of Nutritional Deficiencies by Micronutrients, 8519 - Monitoring of the Nutritional Situation of the Brazilian Population, 8735 - Food and Nutrition for Health, and 20QH - Implementation of Food and Nutrition Security in Health. There was a record of expenses in budgetary action 4525 - Maintenance of Health Units in subfunction 122. These expenses were financed with resources allocated by parliamentary amendments. In subfunction 423, it comprises expenditures on actions: 6501 - Health Care of Indigenous People, 8743 and 20YP - Promotion, Surveillance, Protection and Recovery of Indigenous Health. In subfunction 845, it comprises expenditure on programs 1303 and 1311. In subfunction 846, it comprises expenditures on the programs: 1303 - Health Care of the Population under Emergency Situation, Violence and Other External Causes, 1214 - Primary Health Care, 1216 - Specialized Health Care, 1187 - Surveillance, Prevention and Control of Vector-Transmitted Diseases and Zoonosis, 1311 - Permanent Education and Professional Qualification in the Unified Health System; 1220 - Outpatient and Specialized Hospital Care, and 1300 - Investment for Humanization of Access to Health Care.
Work and income	331 - Protection and benefits 332 - Employment 333 - Employability 334 - Promotion to work 846 - Other special charges (programs 2071 and 8034)	Subfunctions linked to the work function: 331, 332, 333 and 334. It comprises expenses with unemployment insurance, with salary allowance, with the financing of economic development programs carried out by the National Bank for Economic and Social Development (BNDES), with benefits to federal employees and other actions and services aimed at professional training and job creation. In subfunction 846, it comprises expenses with programs 8034 - National Youth Inclusion Program - Projovem and 2071 - Work, Employment and Income.
Urbanism*	451 - Urban infrastructure 452 - Urban services 453 - Public urban transportation	Subfunctions linked to the urbanism function: 451, 452 and 453. It comprises expenses with risk and disaster management, with urban planning and with urban mobility and traffic.

Source: Prepared by the author.

a) Ipea¹ as for the identification of sectorial social policies.

b) Brasil²² as for sub-functions.

*Ipea¹ approaches 'housing and urbanism' as a combined sectorial social policy. In this paper, we chose to separate the two policies to enable the monitoring of housing expenses, given its importance.

The financial enforcement data of the Federal Executive Branch were retrieved from Siga Brasil system²³, carried out by the Federal Senate for the period 2010–2019. That period was chosen because ten years are considered a medium term as for the implementation of public policies, covers more than one government term and because an important economic recession lasted some years, impacting the tax collection. The chosen expenditure enforcing variables were: function, sub-function, program, action and Expense Grouping (GND); the collected enforcing values comprised the expenses paid and the remainders of each financial year. The sum of those values was absorbed in the analysis of expenditure evolution. The scheme of payment is the one adopted to ascertain the primary expenditures defined by EC 95.

Expenses were accounted as per current values so to easy the comparison of the results

to those of future studies; and at 2019 prices, for allowing the analysis of the spending evolution within the last decade. Values were deflated by the Extended National Consumer Price Index (IPCA), issued by the Brazilian Institute of Geography and Statistics (IBGE).

Results and comments

Spending on sectoral social policies is presented in *table 2* at current values, and in *table 3* at 2019 prices. The comparison of expenses enforced in 2010 and in 2019 (*table 3*) reveals that the amount shared in 2019 was higher for expenses on social assistance, education, housing, social security, health, work and income. However, expenses decreased as to the policies of culture, rural development, sanitation and urbanism.

Table 2. Federal spending on sectoral social policies (2010 - 2019)

Social policies per sector	Per current R\$ billions									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Social assistance	38.54	44.49	53.69	63.09	68.54	71.76	80.86	85.31	87.82	96.72
Culture	0.76	0.51	0.73	0.47	0.55	0.54	0.59	0.44	0.54	0.46
Rural development	1.24	0.90	0.96	0.81	1.01	1.11	1.06	0.84	0.52	0.51
Education	37.02	42.72	53.51	59.47	69.33	68.58	72.15	71.01	70.88	74.15
Housing	0.80	7.63	2.60	13.21	17.31	20.77	8.04	3.66	4.62	4.70
Social security	312.52	344.24	382.18	427.89	469.32	517.65	584.65	629.02	637.18	699.21
Sanitation	2.58	2.51	3.68	2.79	3.09	2.03	3.21	2.18	1.83	1.83
Health	57.02	63.63	71.42	77.11	87.49	95.37	105.56	107.02	118.80	125.95
Labor and income	42.04	48.70	55.64	63.35	75.60	71.09	80.30	80.09	80.47	83.40
Urbanism	3.24	2.95	2.69	2.15	2.06	2.68	3.55	2.64	2.24	2.93
Total	495.76	558.28	627.11	710.33	794.29	851.58	939.96	982.22	1,004.90	1,089.86

Source: Siga Brasil system²³. Sum of the expenses paid as for the financial year and the remainders payable during the year.

Table 3. Federal spending on sectoral social policies (2010 - 2019)

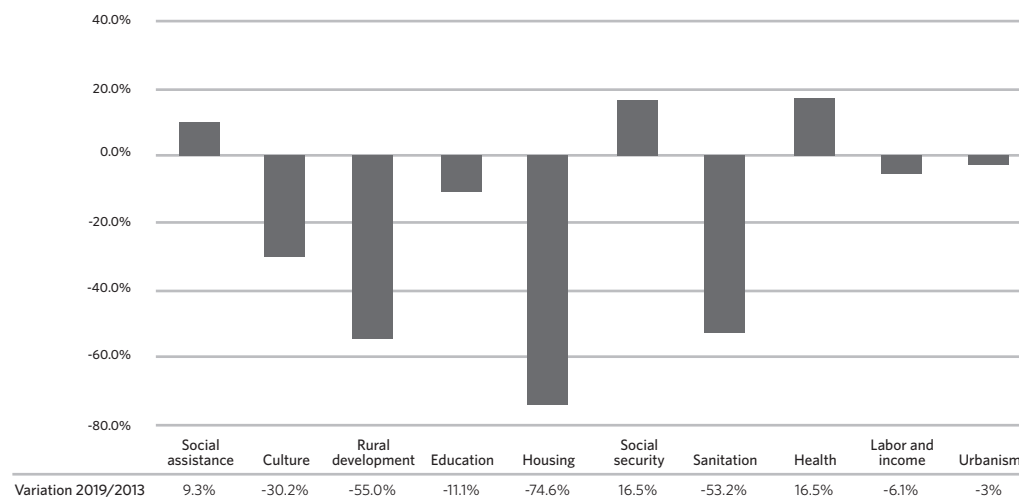
Social policies per sector	Per R\$ billions of 2019									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Social assistance	64.52	69.84	79.96	88.47	90.40	86.81	89.95	91.74	91.10	96.72
Culture	1.28	0.81	1.09	0.66	0.72	0.66	0.65	0.48	0.56	0.46
Rural development	2.07	1.41	1.43	1.13	1.34	1.34	1.18	0.91	0.54	0.51
Education	61.97	67.06	79.70	83.40	91.43	82.96	80.26	76.36	73.53	74.15
Housing	1.34	11.97	3.88	18.52	22.83	25.12	8.94	3.93	4.79	4.70
Social security	523.15	540.39	569.19	600.04	618.96	626.16	650.36	676.42	660.97	699.21
Sanitation	4.32	3.93	5.48	3.91	4.07	2.46	3.57	2.34	1.90	1.83
Health	95.45	99.89	106.37	108.13	115.38	115.36	117.42	115.08	123.23	125.95
Labor and income	70.37	76.46	82.87	88.84	99.70	85.99	89.32	86.13	83.48	83.40
Urbanism	5.42	4.64	4.00	3.02	2.72	3.24	3.95	2.84	2.32	2.93
Total	829.89	876.39	933.97	996.12	1,047.56	1,030.09	1,045.62	1,056.23	1,042.41	1,089.86

Source: Siga Brasil system²³. Sum of the expenses paid as for the financial year and the remainders payable during the year. Values deflated per IPCA.

Brazil faced severe economic recession in the middle of the 2010 decade forcing the federal government to adopted fiscal austerity measures. Thus, the 2019 expenditure comparison with that of 2013', the year immediately before the beginning of the recession, provides a broader picture of the crisis and austerity effects on federal spending on social policies. The results of that

parallel are depicted in *graph 1*, making clear that only social assistance policies (9.3%), social security (16.5%) and health (16.5%) increased their spending. The remainders experienced a loss of resources, as did culture (-30.2%), rural development (-5.0%), education (-11.1%), housing (-74.6%), sanitation (-53.2%), work and income (-6.1%) and urbanism (-3.0%).

Graph 1. Change in federal spending on sectoral social policies - 2019 compared to 2013



Source: Prepared by the author as for data retrieved from Siga Brasil System²³.

Results show that, among the ten sectoral social policies examined, five underwent a reduction in resources in the last decade. However, the spending variation concerning the year 2013, the year immediately preceding the recent economic recession, and that of 2019²⁴ revealed that the number of policies bearing expenditure decreasing rises to seven. Among those enjoying increased expenses during that period are policies related to social assistance, social security and health.

Main expenses within social assistance policy are the Continuous Cash Benefit (BPC) and the Bolsa Família Program (PBF). BPC is addressed both to elderly people receiving a monthly per capita family income of less than a quarter of the minimum wage and to people with disabilities who are unable for independent living and work. The value of the benefit is the minimum wage²⁴. PBF is a program of income transfer for families receiving monthly per capita income up to R\$89.00 and monthly per capita income between R\$89.01 and R\$178.00, provided they are responsible for children or adolescents between zero 17 years old²⁵.

Spending on social assistance in 2019 was R\$8.3 billion higher than in 2013. During that period, PBF expenditure decreased from R\$34.4 billion to R\$32.5 billion (-5.5%), whilst BPC²⁶ increased 31.2%, ranging from R\$44.6 billion to R\$58.5 billion. Thus, BPC increasing led the broadening of social assistance policy.

PBF expenditures are noncompulsory, that is, the federal government have control over them. However, as BPC margin of control is tighter, since the benefit is provided for in CF 1988 as a right and that access to it has been claimed by means of lawsuits in recent years^{26,27}. The reduction in PBF spending helps explain the increase in the waiting list concerning the benefit granting, whose expansion has been disseminated throughout the media, prompting the Federal Public Prosecution Ministry to question the Ministry of Citizenship on the subject²⁸. As a consequence, it may have contributed to the increase

in the country extreme poverty, which has reached 4.5 million people since 2014, totaling 13.5 million people living with up to R\$145.00 per month in 2019²⁹.

Data retrieved from the PBF database, the Family Health Strategy (ESF), the poverty index, and from the possible effects of EC 95 estimated that mortality of children under five years of age will be higher under that amendment than that under current levels of social protection. Almost 20 thousand more avoidable deaths may occur between 2017 and 2030³⁰. Additionally, ESF coverage reduction and the cessation of Mais Médicos Program (PMM) anticipate that mortality rate due to conditions susceptible to primary care will be 8.6% higher than that existing under carrying on of ESF coverage and PMM³¹.

With regard to social security, a social policy of a contributory nature, the control of expenditure growth is also limited. Once the individuals have met the requirements for access to the benefit, following each case rule, the concession may be required by the citizen at any time. Total spending increased by R\$99.2 billion between 2013 and 2019. Under that policy, higher expenses are related to the payment of benefits covered by the Special Social Welfare Policy (RPPS) and the General Social Welfare Policy (RGPS). Spending on RPPS decreased from R\$105.3 billion in 2013 to R\$90.1 billion in 2019 (-16.9%), while RGPS³² increased from R\$492.3 billion to R\$609.1 billion (19.2%) between 2013 and 2019. The actual vegetative growth rate estimated by the government for RGPS expenditure is 3.89% for 2020 and 3.85% for 2021³².

Another factor that drives spending are the lawsuits to grant benefits^{26,27} as for social security and care, as previously mentioned. The General Accounting Office (TCU) ascertained that the expenditure of the National Institute of Social Security (INSS) on pensions, sickness benefits, among other benefits disputed by means of lawsuits, achieved R\$92 billion³³ between September 2017 and July 2018.

As for health policy, the linkage of the minimum investment of resources to the GDP nominal variation between 2013 and 2015, the smaller elasticity of health spending³⁴, the growth of citizens' lawsuits for access to health technologies³⁵, and the federal government effort to pay expenses enrolled in remainders payable in 2018 and 2019 explain the growth in expenses paid (R\$17.8 billion) between 2013 and 2019. It is noteworthy that the health expenditure found in this study differs from that accounted as for the calculation of the minimum investment in health, which is spent on Public Health Actions and Services (ASPS).

The expenses listed in this article comprise those incurred by the various organisms of the Federal Executive Branch, among which the expenses on medical assistance for government employer that are not classified as ASPS'. Besides, ASPS expenses are enforced solely by the Ministry of Health and are calculated by the stage of expenditure allotment. Another issue is the comparison between current expenditure made by ASPS under EC 95 validity, and the one that should be enforced if EC 86 were still in force. Compared to the EC 86 ruling, it is observed that the EC 95 rule of investment implies less allocation of resources to the Unified Health System (SUS), that is, R\$13.2 billion less in 2019³⁶, an outcome predicted and announced when the EC 95 was processed in 2016⁵.

As for policies undergone expenses reduction, it is interesting to observe the case of education, which experienced a decrease in spending between 2013 and 2019 (-11.1%, R\$9.2 billion), as follows: vocational education, from R\$13.4 billion to R\$12.8 billion (-4.9%); basic education, from R\$8.1 billion to R\$5.6 billion (-30.6%); university education, from R\$35.3 billion to R\$34.7 billion (-1.8%); and transfers to Fundeb, from R\$18.7 to R\$16.7 billion (-10.7%). Prior to EC 95 inception, the Union allotted expenditure for Maintenance and Development of Education (MDE) at a level significantly higher than the minimum

investment, which is constitutionally mandatory. The amendment became a concern that the federal government investment gets closer to the education floor, implying loss of resources compared to previous years¹⁰.

Taking for granted the figures presented in this paper, there seems to be a potential risk of this happening, with the aggravating factor that the minimum investment in MDE as from 2018 will be 'frozen' until 2036 by a value corresponding to the 2017 floor value in actual terms. Prior to EC 95 ruling, the minimum investment fluctuated according to tax revenue. It should also be noted the significant loss of resources addressed to basic education, which includes expenses with the acquisition and production of books and teaching materials, school transportation, improvement of school infrastructure, among others. The same resource reduction did not impact health since federal spending in this field has always stayed at the limit of the minimum investment, a characteristic that caused some authors to conclude that health floor investment became the ceiling investment³⁷. Thus, the Union cannot significantly reduce health expenditure because it would not comply with CF 1988.

As for sanitation, the fall in expenses achieved R\$2.1 billion. Sanitation comprises water supply services, sewage, solid waste handling and urban rainwater drainage. The lack of investment in that policy is accounted as the main cause for the non-universal sanitation in Brazil, and places the country in 112th position in the ranking of sanitation infrastructure³⁸. Public investment was already poor and has been reduced in recent years, with no prospect of expenditure increasing under the 'freezing' of the Union's primary expenditure by EC 95.

Concerning the rural development policy, there was a decreasing R\$624.1 million between 2013 and 2019. Actions aimed at strengthening family farming suffered a spending decrease from R\$385.1 million to R\$266.3 million (-30.9%); and those assigned to the acquisition of family farming production

decreased from R\$713.3 million to R\$234.9 million (-67.1%). The expenditure reduction following that policy, concomitantly to the weakening of the organisms responsible for its enforcement, reveals a high risk of discontinuity of programs addressed to rural populations³⁹.

As for housing policy, spending on the budget program Moradia Digna (Dignified Housing) in 2019 was R\$13.8 billion lower than in 2013 (-74.7%), which is basically the value addressed to Minha Casa, Minha Vida (My House, My Life) Program. Expenses decreased from R\$18.4 billion to R\$4.7 billion. That situation is worrisome, since the housing deficit in 2015 achieved more than 6.3 million homes. This is the estimate of housing necessary to supply the need of people living in precarious constructions, cohabiting with their families, by lack of option, and living in non-residential accommodations⁴⁰.

Concerning the policy of urbanism, focused on planning, infrastructure and urban public transportation, the volume of resources allocated was already low in 2013 and remained low in 2019 after suffering an additional reduction (-3%).

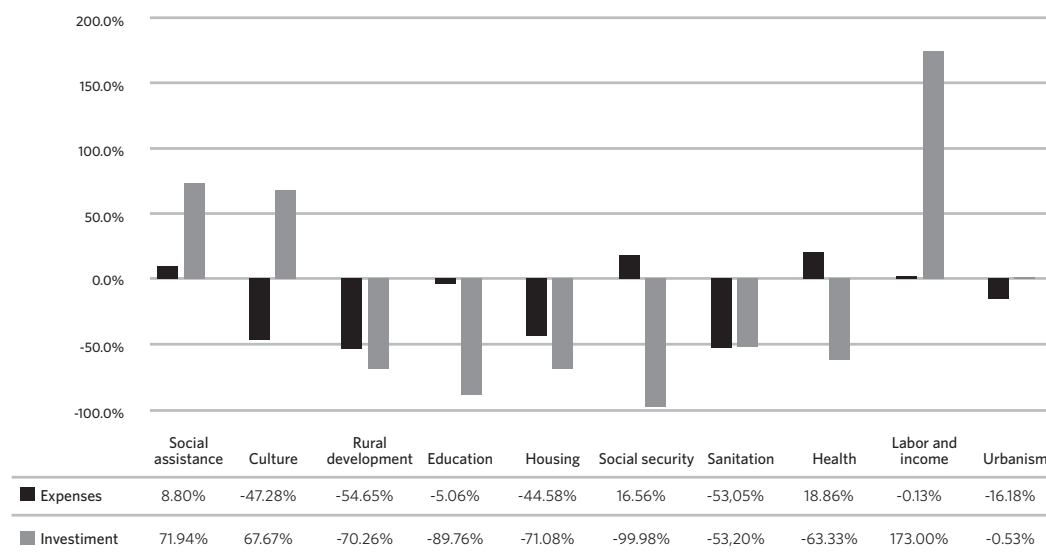
With regard to capital expenditure (investments) under the effects of the economic crisis and EC 95, an overall avoidance was expected. And that's exactly what happened. The reduction in investment expenses for all sectoral social policies was R\$8.2 billion, from R\$20.8 billion in 2013 to R\$12.7 billion in 2019 (-39.3%). The spending analysis by policy and

group of expenditures, that is, cost – personnel expenses and other current expenses – and investment – capital expenses –, and the comparison between the expenditure incurred in 2019 to that of 2013' reveals an interesting situation (*graph 2*).

As for policies whose total spending increased, i.e., social assistance, social security and health, which are the highest expenditures of the federal government, there was a reduction in investments on pension policy (-99.98%) and health care (-63.3%), and an increase in social assistance (71.9%). The latter experienced an increase in expenditure on regional development and on the Unified Social Assistance System (Suas). Investments on culture and work and income policies increased by 67.7% and 173.0% respectively. As for culture, expenses contributed to the expenses for the preservation of cultural heritage of historical cities, totaling R\$117.7 million in 2019 out of the R\$164.4 million invested in that policy (71.6%).

Regarding labor and income policy, of the R\$103.8 million invested in 2019, R\$97.5 million (93.9%) were allocated to the purchase of equipment and to other capital expenditures as for the Ministry of Defense. In 2013, resources invested were mainly addressed to labor, employment and income programs, regional development and solidarity economy (86.4% of capital expenditures). In 2019, investments on those programs accounted for only 4% of the capital expenditure of that policy.

Graph 2. Change in federal spending on sectoral social policies, as per spending group - 2019 compared to 2013



Source: Prepared by the author as for data retrieved from Siga Brasil System²³.

Note: The expenses group includes personnel expenses and other current expenses. The investment group includes capital expenditures.

The labor and income policy reveals a limitation of this study that is to measure the expenditure on each policy from the enforcement of public administration by sub-functions, even though some adjustments have been carried out. It seems more appropriate that expenses with the purchase of equipment for the Ministry of Defense had been recorded in the sub-functions linked to function 5 – national defense, rather than in the sub-functions linked to function 11 – work. That choice ends up distorting the information about investments, since they are supposed to have been allocated to programs aimed at generating jobs and income, when, in fact, that was not the case. Anyway, as the classification of expenses by subfunction, in general, undergoes little changes from one year to another, this methodology remains a good estimate of the expenditure with public policies, despite that limitation.

Another issue to be regarded in future studies is the inequity on spending within each social policy. In this work, the federal

government's expenditures on goods, services and benefits paid to their civil and military employees were accounted in the expenditure of each policy, in case they were classified in the respective sub-functions. It is a social expenditure, although addressed to a restricted portion of persons. One example is the expenditure on medical care for the federal government employees, which responded for R\$5.2 billion in the total of R\$125.9 billion accounted for the sectoral health policy.

Final remarks

As the results of this study reveal, significant social policies faced resource reduction in recent years as consequence of the economic recession and fiscal austerity policy, whose implementation began in 2015 and was intensified as from 2016. As social inequalities are huge in Brazil, the sharp reduction of federal funding for such policies may impact significantly the social protection and promotion in

the country. The reason relies on the fact that the Union owns the highest fiscal capacity, while states and municipalities can hardly allocate the amount of resources that ceased to be invested by the federal government, especially under the current crisis in their finances.

The recent economic crisis and the implementation of fiscal austerity measures caused negative effects to Brazil. In practice, it is to note that the growing expenditures are linked to constitutional rights within the scope of social security, and undergo the tradition of compliance enforceability by means of the Justice system: BPC in social assistance, social security benefits and access to health goods and services. As for health, factors other than the mandatory minimum expenditure and lawsuits put pressure on expenses³⁴. Expenses with goods, actions and services related to other social policies decreased within the period analyzed, even though social rights linked to those policies are also inscribed in CF 1988.

Literature review studies evince that the choice for fiscal austerity policy at a time of economic crisis can impose disastrous consequences on the population health^{41,42}. That combination hinders the universal access to health services and threatens the progress achieved in this field^{43,44}. Additionally, it reduces the country's likelihood of achieving also the noncommunicable disease control goals⁴⁵ as those concerning the Sustainable Development Goals – Agenda 2030⁴⁶.

In a way to guarantee the constitutional right to health in Brazil, ensuring population's access to health goods and services is not enough. Policies acting over SDH must be implemented. World Health Organization report suggests that key policies able to focus on SDH and health inequities are related to improving: i) early childhood development – early childhood education, health care, protection against poverty, support for parents working outside home, and gender equality

stimulation; ii) access to fair employment and decent work – creating employment opportunities in disadvantaged areas, implementing good quality active labor market programs and improving working conditions; iii) social protection by means of income transferring – increasing social investment on income transfer programs, improving the effectiveness of programs, their coordination and management, so to make them more efficient and simpler for beneficiaries; and iv) the living environment – protecting citizens from illegal eviction, increasing the possibility of housing affordance and implementing effective urban planning to promote cleaner, more energy-efficient and healthier transportation and housing⁴⁷.

The recent financing framework for sectoral social policies in Brazil indicates greater difficulties in achieving progress for the population's living and working conditions, and, more than that, anticipates a high risk of regression in those fields, negatively impacting the health condition of Brazilians.

As from the adoption of the necessary measures of social distancing to cope with Covid-19 pandemic, the economy in the world and in Brazil tends to worsen. Governments in several countries have stepped up the adoption of measures to stimulate the economy and preserve worker income. Unfortunately, however, what is most seen by government members in Brazil are proposals for more reform, so to reduce the size of the State, to reduce wages of workers in public and private sectors, and tighten austerity control over the primary deficit. If this trend does not change, we are moving rapidly towards a future of more social inequalities and greater health inequities.

Collaborator

Vieira FS (0000-0001-7377-7302)* is responsible for the text preparation. ■

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Received on 03/22/2020

Approved on 09/07/2020

Conflict of interests: non-existent

Financial support: non-existent