

REGIONAL ISSUE, THE PANDEMIC AND “THE SAME DEATH SEVERINA”: NEOLIBERAL AUSTERITY AND AGGRAVATION UPON INEQUALITIES IN RIO GRANDE DO NORTE

Questão regional, pandemia e “a mesma morte severina”: austeridade neoliberal e agravamento das desigualdades no Rio Grande do Norte

Cuestión regional, pandemia y “la misma muerte Severina”: austeridad neoliberal y agravamiento de las desigualdades en Rio Grande do Norte



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ABSTRACT

Besides provoking an unprecedented health crisis, claiming more than 670,000 lives in Brazil by December 2022, the COVID-19 pandemic exacerbated social inequalities. However, in the pre-pandemic context, the socioeconomic crisis and institutional instability were already deepening in the country, restricting the state's ability to intervene in the face of the adoption of structural neoliberal fiscal austerity measures. The study advances in the analysis of the particularities of the health and socioeconomic impacts of the Covid-19 Pandemic in the Northeast Region of Brazil, considering that the unequal and combined historical process of capitalist expansion in the country, produced deep regional inequalities. Thus, it is considered fundamental to verify the behavior of social indicators in the pandemic period in the Northeastern region of Brazil, also highlighting unique cases from northeastern states. Therefore, this study analyzes the implications of fiscal adjustment for the worsening of poverty and social inequality in the state of Rio Grande do Norte. To this end, bibliographic and documentary studies were carried out alongside the collection and analysis of socioeconomic data obtained from secondary sources. The analysis of the information shows that there was an aggravation in the social indicators of the region, and even more accentuated in the State Plan of Rio Grande do Norte, which reflected accumulated historical deficits due to regional inequalities. This degradation of life and work conditions is not only due to the unexpected pandemic, but also the options and decisions of governments in the pre-pandemic period, glimpsing the interests of financial capital, and leaving the population without the quick and appropriate protection in the health emergency. Especially concerning lethargy and insufficient social investment to guarantee income, dignity, and hope for Brazilians, people from the Northeastern region, and people from Rio Grande do Norte.

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RESUMO

Além de expressar uma grave crise sanitária, ceifando mais de 670 mil vidas no Brasil até dezembro de 2022, a Pandemia da Covid-19 agravou as desigualdades sociais. No entanto, no contexto pré-pandêmico a crise socioeconômica e a instabilidade institucional já se aprofundava no país, restringindo a capacidade de intervenção estatal diante da adoção de medidas de austeridade fiscal neoliberal. O estudo avança na análise das particularidades dos impactos sanitários e socioeconômicos da Pandemia da Covid-19 na Região Nordeste do Brasil, tendo em vista que o processo histórico desigual e combinado de expansão capitalista no país, produziu profundas desigualdades regionais. Dessa forma, considera-se fundamental verificar o comportamento de indicadores sociais no período pandêmico na Região Nordeste do Brasil, destacando também casos singulares dos estados nordestinos. Por isso, o presente estudo analisa as implicações do ajuste fiscal para o agravamento das condições de pobreza e desigualdade social no estado do Rio Grande do Norte. Para tanto, foram realizados estudos bibliográficos e documentais acompanhados de coleta e análise de dados socioeconômicos obtidos em fontes secundárias. A análise das informações demonstra que houve piora nos indicadores sociais da Região, tendo sido mais acentuada ainda no Rio Grande do Norte, refletindo déficits históricos acumulados. Esse agravamento não decorre somente da pandemia mas das opções e decisões de governos no período pré-pandêmico, vislumbrando interesses do capital financeiro, deixando a população sem a proteção rápida e adequada na emergência sanitária, inclusive em relação à letargia e insuficiência nos investimentos sociais para garantia de renda e dignidade.

Palavras-chave: Ajuste fiscal; Pandemia; Desigualdade; Questão Regional; Nordeste.

RESUMEN

Además de expresar una crisis sanitaria sin precedentes, cosechando más de 670,000 vidas en Brasil hasta diciembre de 2022, la pandemia Covid-19 ha agravado las desigualdades sociales. Sin embargo, en el contexto anterior a la pandemia, la crisis socioeconómica y la inestabilidad institucional ya estaban profundizando en el país, restringiendo la capacidad de intervención estatal frente a la adopción de medidas estructurales de austeridad fiscal neoliberal. El estudio avanza en el análisis de las particularidades de los impactos sanitarios y socioeconómicos de la Pandemia de la Covid-19 en la Región Nordeste de Brasil, considerando que el desigual y combinado proceso histórico de expansión capitalista en el país, produjo profundas desigualdades regionales. De esta forma, se considera fundamental verificar el comportamiento de los indicadores sociales durante el período de la pandemia en la Región Nordeste de Brasil, destacando también casos únicos en los estados del Nordeste. Por lo tanto, este estudio analiza las implicaciones del ajuste fiscal para el empeoramiento de la pobreza y la desigualdad social en el estado de Rio Grande do Norte. Para ello, se realizaron estudios bibliográficos y documentales, acompañados de la recopilación y el análisis de datos socioeconómicos obtenidos de fuentes secundarias. El análisis de la información muestra que hubo un empeoramiento de los indicadores sociales en la Región, que fue aún más acentuado a nivel estatal en Rio Grande do Norte, reflejando déficits históricos acumulados debido a las desigualdades regionales. Esta degradación de las condiciones de vida y de trabajo no se debe solamente a la insólita pandemia, sino a las opciones y decisiones de los gobiernos en el período pre-pandémico, mirando los intereses del capital financiero, dejando a la población sin la protección rápida y adecuada en la emergencia sanitaria, incluso en lo que se refiere al letargo e insuficiencia en las inversiones sociales para garantizar renta, dignidad y esperanza para el pueblo brasileño, del Noreste y Rio Grande do Norte.

Palabras clave: Ajuste fiscal; Pandemia; Desigualdad; Cuestión regional; Noreste.

1 INTRODUCTION

At the end of 2019, the first cases of Covid-19 occurred in China, a disease caused by a type of virus of the corona virus family called Sars-Cov-2, which in a short time would take pandemic proportions. This disease is located in a set of ecological transformations, stimulated by capitalist expansion in which, as Chesnais (2020) cites, the increase in the consumption of fossil fuels for energy, the destruction of forests, the conversion of natural habitats into areas of agricultural or livestock production, which are among the main sources of greenhouse gas emissions, facilitate the emergence of new diseases with pandemic potential.

Thus, the pandemic is linked to political and economic factors immersed in the social relations of capitalist production, in the same way that its way of reaching countries also expresses geopolitical inequalities, since peripheral countries face greater health and socioeconomic challenges. Although it is in the United States of America that there is the highest number of registered cases of infection and deaths, the consequences of the pandemic are greater in the peripheral countries of capitalism whose population are in more vulnerable conditions, do not have structured public health systems for these emergency occurrences, in addition to scenarios with high rates of underreporting (VEIGA E SILVA, 2021).

In the case of Brazil, the pandemic occurs in a context of deepening neoliberal measures of fiscal austerity and counter-reforms in social policies. In fact, since 2015, a fiscal adjustment plan has been underway that sought to contain the expansion of the economic crisis and the deepening of the political crisis in the country, impacting on the reduction of public investments in social policies and the state's capacity to reverse the economic downturn. With the legal, media and parliamentary coup suffered by President Dilma Rousseff in 2016, and the rise of a new bloc in power, led by Michel Temer, fiscal adjustment has become structural.

Constitutional Amendment No. 95 (EC 95), of 2016, signals this structural adjustment by instituting a New Fiscal Regime (NRF), limiting current government spending for 20 years, notably impacting social policies. This process of freezing primary expenditures affected the financing of social policies such as health, education and social assistance, among several others, as Evilásio Salvador (2020) points out when studying the financing of social policies after 2016, highlighting that: "EC 95 buries the binding of mandatory resources, within the Union, for education and health from 2018. The federal education

budget in 2019 was, for the first time since 2016, below R\$ 100 billion paid" (SALVADOR, 2020, P.5).

This picture has continued and worsened in 2019, when a far-right neoliberal government emerged that tightened these fiscal measures. In the chaotic scenario in the beginning of the pandemic emergency, the federal executive branch adopted positions denying the seriousness of the health crisis, boycotting measures of social isolation and protection of the population that had been suggested by the World Health Organization (WHO) - seeking to preserve, at the cost of human lives, the "normal" functioning of economic activities. In this way, the Federal Government tried to follow up on the fiscal adjustment measures, mainly affecting the poorest workers who, due to the pandemic, saw income fall and unemployment rise even more, according to data released by the IBGE in 2020 during the pandemic, such as the unemployment rate that reached 14.3%, in the fourth week of August with an increase of 1.1 percentage points from the previous week, reaching the highest level in the historical series of the PNAD Covid-19, which began in May (IBGE, 2020).

It is considering the context of the pre-pandemic socioeconomic crisis and its worsening in the pandemic that seeks to understand the impacts of neoliberal fiscal adjustment measures, that is, the implications of the adoption of structural austerity measures in public investments that limited the capacity of the Brazilian state to act incisively to save lives and ensure the decent conditions for survival of the most vulnerable portion of the population in the pandemic crisis.

The study advances in the analysis of the particularities of the health and socioeconomic impacts of the Covid-19 Pandemic in the Northeast Region of Brazil, considering that the unequal and combined historical process of capitalist expansion in the country, produced deep regional inequalities. Thus, it is considered essential to verify the behavior of some social indicators in the pandemic period in the Northeast region of Brazil, also highlighting unique cases of northeastern states. Therefore, the present study also seeks to analyze the implications of fiscal adjustment for the worsening of poverty and social inequality in the state of Rio Grande do Norte (RN).

The starting point of the present study could not fail to be, therefore, concrete reality, as Marx and Engels (2007, p. 94) point out: "We set out from real, active men and on the basis of their real life-process". Thus, to focus on reality, it is based on dialectical historical materialism, as a method of analyzing the real in which "the researcher is placed in order,

in his relationship with the object, to extract his multiple determinations from it" (NETTO, 2011, p. 53).

The methodological path of the research encompasses a set of techniques and procedures that make it possible to understand the problem, and can be characterized as exploratory research to "provide an approximate general view of a given fact" (GIL, 2008, p. 27). In addition, it has an approach known as a mixed approach, since it understands that reality manifests and is formed from quantitative and qualitative, objective and subjective elements that are intrinsically related (PRATES, 2012, p.117).

From this mixed approach, the collection of information in secondary sources was carried out from the continuous National Household Sample Survey (PNAD Contínua Trimestral) available in the IBGE automatic recovery system (SIDRA/IBGE), allowing to collect statistical data on the unemployment rate in Brazil, in the Northeast and in the RN – , in the period from 2014 to 2021. The analysis of food insecurity conditions (FI) was carried out based on data released by the Brazilian Research Network on Food and Nutrition Sovereignty and Security (Rede PENSSAN), which brings together researchers, students and professionals from all over the country, having organized two surveys in Brazil during the pandemic period (PENSSAN 2021; 2022). On the other hand, the data referring to the number of people in poverty and extreme poverty in the RN, registered in the Single Registry (Cadastro Único, in Portuguese) of the Federal Government, were obtained from the Vis DATA 3 platform, of the Secretariat of Evaluation and Information Management (SAGI) of the Ministry of Social Development and Assistance, Family and Fight against Hunger.

Finally, in order to reveal the limitations of the fiscal adjustment for the state's performance, it is based on data published by the National Institute for Socioeconomic Studies-INESC, which has conducted systematic studies on budget planning and execution in the three years of Bolsonaro's government, from 2019 to 2021, offering subsidies to civil society organizations and social movements for analysis and discussion of public policies in the area of human rights.

In summary, the methodological course was organized in stages of theoretical analysis, with bibliographic studies in the central categories for the analysis, delimitation of socioeconomic indicators in secondary sources and collection of documentary information on the public budget and the limitations imposed by the fiscal adjustment. These steps, however, are not watertight, since the method that guides this study stands out for an investigation that considers reality in its entirety.

2 CAPITAL CRISIS, FISCAL ADJUSTMENT AND PANDEMIC IN BRAZIL

In search of understanding the multiple dimensions of the pandemic reality in Brazil and the particularities in the Northeast and RN –, it is necessary to understand their social determinations, that is, how they are determined in a movement of greater complexity that contains and determines them.

Thus, when one seeks to analyze poverty and social inequality, it is necessary to consider that it is a socio-historical phenomenon expressed in daily life in the multiple forms of deprivation in the lives of thousands of people, but that it has an explanation at the heart of capitalist social relations. As indicated by Siqueira (2013) in a critical perspective highlighting how poverty is structural and the result of the very mode of development and social organization of capitalist production. Thus, the greater the wealth “socially produced, the greater the accumulation of it by a few (who appropriate it through the exploitation of surplus value) and the greater the pauperization of the majority (who produce it, but have little left in relation to the wealth produced by them)” (SIQUEIRA, 2011, p. 213).

Therefore, in this section of the article, a brief discussion will be held on the macro determinations of the worsening of poverty and social inequality, considering the context of the structural crisis of capital and the deepening of neoliberal fiscal adjustment measures, followed by an item that focuses on the National reality and its regional particularities and in the state of RN.

3.1 Structural crisis of capital and neoliberal fiscal adjustment

In contemporary times, the world is facing an unprecedented structural crisis of capital (MÉSZÁROS, 2002). But this crisis does not affect all social classes with the same intensity: at the beginning of 2021, in the midst of the pandemic, Forbes magazine (2021) announced that 10 more Brazilians became part of the short list of the group of billionaires in the world, while 55.2% of Brazilian households were in a situation of food insecurity (mild, moderate or severe), as pointed out by the Penssan Network study (2021).

The worsening of poverty and hunger, while the wealth of the class that owns capital grows, highlights the way capitalism works in which, even in a scenario of deep health and humanitarian crisis like the one we are experiencing, “there is a complete denial of the elementary needs of countless millions of hungry people: the forgotten side that suffers the consequences of the trillions wasted” (MÉSZÁROS, 2002, p. 801).

Mészáros (2002) despite not experiencing the pandemic reality that in a scenario of structural crisis further exacerbates inequalities, provides clues to understand the current problems of the functioning of capitalism deeply destructive to human life and nature itself, thus impacting the Brazilian reality in a situation of health crisis. The crisis according to Mészáros (2002) would be different from the other cyclical ones experienced throughout the history of the capital system, in view of its uncontrollable, deeply destructive and structural processuality. It should be considered that historically, faced with the crisis scenario, capital orchestrates a set of economic, political and ideological strategies to recompose its profit rates and extend its dynamism (MÉSZÁROS, 2002).

The strategies of capital gain prominence in neoliberal ideals, whose "remedy, then, was clear: maintain a strong state, yes, in its ability to break the power of the unions and in the control of money, but meager in all social spending and economic interventions" (ANDERSON, 1995, p.11). The counter-reformation of the state (BEHRING, 2008) is also explained by the current period of capitalism marked by a hegemony of financial capital and the sectors linked to it, which mobilize economic and political strategies that meet the needs of capital reproduction in this historical period.

The reformed state is configured as a "minimum state for the social and maximum for capital", to ensure freedom of movement for financial capital and counter-reforms that ensure a greater degree of exploitation of labor power and expropriation of workers' rights. Since the 1980s, the publicized fiscal crisis of the Brazilian state has been used as a justification for the contingency in the public budget in order to attract the trust of external investors who demand the priority of directing the public fund to pay interest and services of the public debt, with a direct consequence of investment cuts in social areas.

A scenario that has been increasingly accentuated, since: "the policy of fiscal austerity, initiated by Fernando Henrique Cardoso and maintained by the Lula government, is part of a set of measures adopted – arising from the neoliberal prescription – recommended by international financial agencies". (STICOVSKY, 2010, p.148-149).

Sticovsky (2010) also says fiscal austerity in Brazil under the influence of neoliberalism, conceived in the 1980s and adopted by the Government of Color, in the administration of President Itamar Franco (PMDB), with the implementation of the Plano Real (Real Plan, in English), and deepened in the government of Fernando Henrique Cardoso (PSDB). The Plano Real, according to Salvador (2017a), had a tripod based on: a) a monetary policy with high interest rates; b) an uncontrolled exchange rate policy for foreign investment – allowing foreign exchange to enter and exit and; c) a fiscal policy, which is

anchored in the primary surplus, that is, the positive result between government expenses and revenues, without accounting for debt interest.

In 1999, by imposition of the International Monetary Fund, surplus targets were implemented to guarantee the payment of debt interest, in the frame commitments to economic stability and state counter-reforms. Thus, fiscal policy began to be directed to the solution of public indebtedness, to control high inflationary indices and as a measure to overcome economic stagnation in low developing countries. In this way, the neoliberal prescription consisted in the centrality of monetary stability placed as the supreme goal of any government "for this, budgetary discipline would be necessary, with the containment of welfare spending, and the restoration of the "natural" rate of unemployment". (ANDERSON, 1995, p. 10-11)

The indebtedness of national states through public debt, in this context of structural crisis, plays a fundamental role in allowing the logic of accumulation to work, benefiting the financial bourgeoisie and placing the burden of debt on the working class that is paying "via the imposition of a fiscal adjustment that restricts rights, contributes to the increase in unemployment and worsens living conditions" (BRETTAS, 2012, p.115).

Thus, debt is a way of usurping the values produced by the working class for private appropriation in a strategy to ensure the reproduction of capital. And while the payment of interest and debt rollover services is prioritized, we note the contingency and retraction in the investment of social policies, absolutely essential to guarantee survival and better living and working conditions for the working class. It is verified with it the class disputes that permeate the public fund¹, especially in relation to the formulation and allocation of the same in the public budget - its visible part, according to Salvador (2012). In this way, the contingency of public resources to guarantee security rights and other areas of social welfare, competes unevenly with the payment of debt interest and the generation of primary surplus for the benefit of interest-bearing capital, revealing the nature of fiscal adjustment, as one of the capital strategies guided by international organizations² and developed by the state in a crisis scenario, with a view to guaranteeing the payment of interest, charges and amortization of debt (SALVADOR, 2017).

¹ Obtained through taxes, fees and contributions, as well as from surplus value derived from socially produced wealth.

² The political conduct of the post-World War II, in the international scenario, with the international economic regime established by the Bretton Woods Agreements, contributed to the resurgence of liberal ideas by elaborating new rules of the game that should govern the functioning of the reconstituted world economy and the creation of international organizations that guarantee its validity, such as the International Monetary Fund (IMF) and World Bank (WB). (SADER; GENTILI, 1995).

These fiscal adjustment measures have continued to be implemented since FHC by successive governments that crossed the Planalto Palace, including the PT governments (2004-2016) that, despite having contributed with policies and social programs that managed to reduce poverty levels in the country, continued with the prioritization of public debt.

In the most recent period, after the coup of 2016, which took away the legitimate presidential mandate of President Dilma and put Michel Temer in power, the policy of austerity has been accentuated. At this time, the continuity of the primary surplus as an important indicator for rentiers and the greater capture of the public fund for the payment of public debt stand out. This all combined with the freezing and reduction of social spending of EC 95 instituting the NRF, which prevents the linking of resources to social policies in the manner designed in the Federal Constitution of 1988, by freezing the so-called primary expenses of the government (except financial expenses with the payment of interest on the debt) for twenty years, limiting the correction by inflation.

Salvador (2020) stresses that, especially from the perspective of the rise of President Temer to power, of a "resurgence of the capital offensive, returning with a load to neoliberal orthodoxy with brutal cutting of social rights, especially in the field of financing public policies" (SALVADOR, 2020, p.4-5).

Despite the dramatic scenario that was already pointed out with the neoliberal radicalism of Temer, in 2018, the extreme right with fascist traits is elected to the executive power, with the support of fractions of the national and international bourgeoisie, counting on a social base characterized by the dissemination of hatred and attacks on democracy. This situation worsened in 2019, with the Bolsonaro government's economic command guided by the policy of fiscal austerity and deepening the state's counter-reforms.

3.2 Pandemic, fiscal adjustment and regional inequalities

In the context of structural fiscal adjustment, with the impacts of EC 95 and the extreme right-wing government, social policies suffer year after year more budget reduction, arriving in the pandemic scenario of 2020 with increasingly scarce investments, as pointed out in the document "O Brasil com baixa imunidade" (Brazil with low immunity, in English), produced by INESC (2020) with analysis of the 2019 budget: "The pandemic only highlights what many have been pointing out for years: the choice to maintain the spending ceiling and fiscal austerity has as a direct consequence the penalization of the most vulnerable in society". (INESC, 2020, p. 48).

Thus, there is a tendency to aggravate the expressions of the social question³, being more latent the increase of social inequality with the worsening of poverty. The process of structural fiscal adjustment, by forcing maximum public disinvestment in the social area, left the state “to be caught with its pants down” in the face of the worsening pandemic. The new scenario forced the state to break with the radicality of budgetary austerity in the country and rebuild its social intervention capacities with emergency and structuring measures, due to the urgent needs to guarantee the minimum conditions for protecting the population against the virus.

The state had to act decisively for the maintenance of income, access to adequate food for subsistence, the maintenance of housing or access to shelters and the supply of water and energy, considered minimum to ensure social distancing.

The business sector, especially small and medium-sized enterprises, also required extraordinary measures to maintain activities and jobs. Facing the health emergency in a collapsed health system required the maintenance and expansion of the staff of professionals, the acquisition of equipment and medicines, and the urgent expansion of hospital beds. As pointed out by the INESC report (2020) analyzing the public budget of 2019, the year before the pandemic, already showing the budget gaps related to the financing of Brazilian public health that had in 2019 a budget 4.46% lower than that of 2018, in a country that would have to deal with a pandemic the following year.

Faced with this scenario, to unlock the state, the National Congress had to approve, on May 7, 2020, Constitutional Amendment 106 (EC 106) that established the extraordinary fiscal, financial and contracting Regime to face the national public calamity resulting from the pandemic to meet the needs arising from it (BRASIL, 2020).

The constitutional amendment made it possible to approve emergency aid for unemployed workers, informal workers and beneficiaries of the Bolsa Família program. However, according to INESC studies (2020), budget resources in 2019 were already below what was necessary to face the health, social and economic calamity that the country was going through, so that, in addition to the Brazilian working class having to face the objective consequences of the underfunding of social policies, it began to suffer more directly the

³ “[...] concerns the set of expressions of social inequalities engendered in mature capitalist society, unthinkable without the intermediation of the state. It has its genesis in the collective character of production, opposed to the private appropriation of human activity itself - labor - of the conditions necessary for its realization, as well as of its fruits. (IAMAMOTO, 2001, p. 17).

impacts of the pandemic due to its material and financial needs that limited and prevented compliance with social distancing.

The inequality that is exacerbated associated with the austerity scenario as well as the pandemic, acquires even more serious contours from the existing regional inequalities in the country, which is explained from the national socio-historical formation in the context of capitalist expansion, by the process of unequal and combined development between the central and peripheral countries, with internal setbacks, leading to asymmetries between the regions. A possible reading from the contributions provided by Francisco de Oliveira (1977) from a concept of region that is based on the specificity of the reproduction of capital, in the forms that the accumulation process assumes in a given *locus/space*, in the class structure peculiar to this form of accumulation and also in the forms of class struggle and conflict that pervade it.

This picture is clear in the Northeast region where, since the nineteenth century, the lethargy of its productive sector had been worsening, and the contours of the regional issue became evident in the mid-twentieth century, in the context of modernization based on industrialization centered in the South Center of the country, amplifying regional inequalities: "it is assumed, therefore, that the Northeast did not benefit from the national economic development of this phase, implying the intensification of social inequalities that, from there, become much more pronounced in this region than in the rest of the country" (Santos, 2012, p. 252).

Thus, it is necessary to analyze the relationship between the deepening of fiscal adjustment and the radicalization of neoliberal measures with restrictions on budgetary allocations for social policies, considering the context of the social and health emergency of the pandemic, with the worsening of poverty and inequality conditions in the country, as follows.

3 REGIONAL EXPRESSIONS OF THE SOCIAL INEQUITIES OF FISCAL ADJUSTMENT

The pandemic opens up the reality of the Brazilian social crisis, deepened by the neoliberal prescription with fiscal adjustment measures, so that austerity has implied an increase in social inequality that acquired dramatic contours during the pandemic (OXFAM, 2022), putting millions of Brazilians in front of the tragic dilemma of "choosing between dying of hunger or dying from the virus". In this item, an analysis of data will be carried out to verify

how the fiscal adjustment entailed the worsening of poverty and inequality in the country and in Rio Grande do Norte.

The analysis of the public budget includes the most recent study published by INESC that contains a summary of the Union's budget expenditures for the year 2021, a balance of the three years of the Bolsonaro government (2019 to 2021) and an analysis of trends for the year 2022. The Institute considers guaranteeing human rights and the responsibility of the state to guarantee them, understanding that fiscal policy should be subordinated to human rights and not the opposite, as has been happening in recent years in Brazil. (INESC, 2022).

Between 2020 and 2021, there was a great mismatch in the budget to face the pandemic, given that while the number of deaths caused by Covid-19 increased by 117.5%, resources to face the pandemic fell by 78.8%. Such a decrease in 2021 countered the Auxílio Emergencial (emergency aid, in English) that had resources cut by 81%, in addition to impacting the other measures that had been implemented in 2020, such as those to support companies and maintain jobs and for the Federative Program to deal with the coronavirus that suffered even greater cuts, according to INESC (2022).

In the case of the Emergency Benefit for the Maintenance of Employment and Income and Support for Micro and Small Businesses, important actions in the unemployment scenario in the country, there were significant cuts. As for Aid to States and Municipalities, essential for federal entities to be able to deal with the consequences of the pandemic, there was simply no budget allocation in 2021. The negative variation in relation to budgetary resources allocated to the health sector stands out⁴, at a time when the country was still experiencing a serious pandemic scenario and therefore needed greater investments in the area.

In this way, it can be apprehended that the effects of disinvestment were increased the in transmission and mortality of COVID-19 and the worsening of conditions of poverty and social inequality. The clear signs of increasing extreme poverty and social inequality that are associated with the scenario of fiscal austerity adopted in Brazil, acquire even more serious contours during the pandemic. Some indicators reveal with greater clarity the "denials" of access - to work, income and food - to which a large part of the Brazilian population is subjected and which are exacerbated in the regional reality and in the state of Rio Grande do Norte, as will be analyzed below.

⁴ According to the INESC analysis (2022), in 2021, the financial execution of the health function totaled R\$ 182.2 billion, a lower amount than was executed in 2020, of R\$ 183.5 billion.

(a) Jobless

The Man humiliates himself
 Castrate his dream
 His dream is his life
 And life is work
 And without his work
 A man has no honor
 And without his honor
 It dies, it kills
 It is not possible to be happy

Um homem também chora (A man also cries) – Gonzaguinha

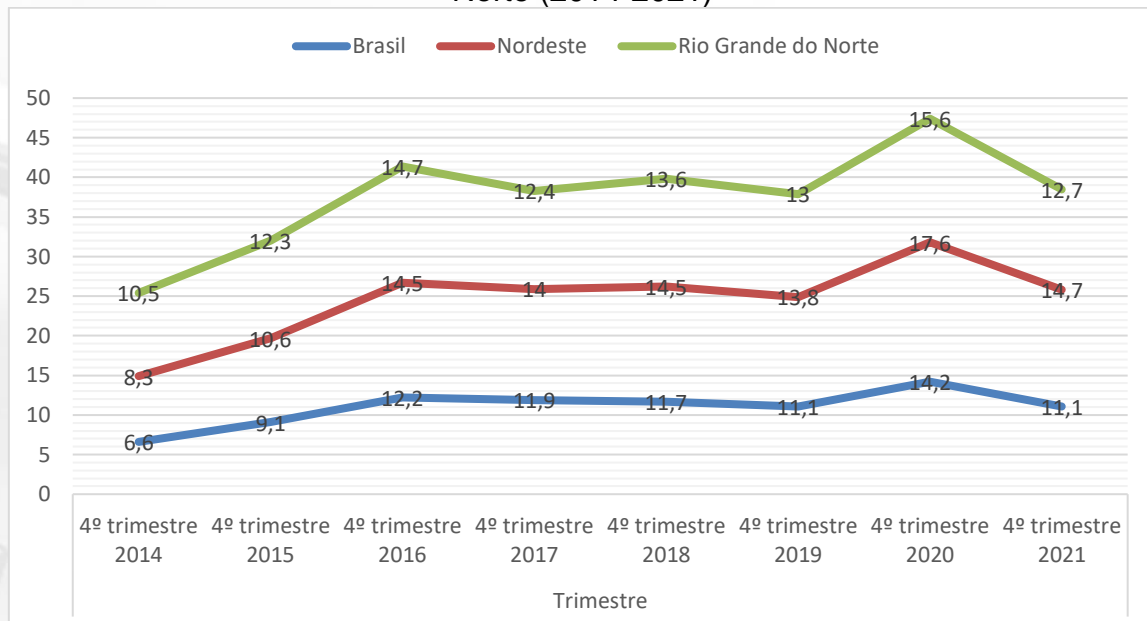
The work that allows the social being to transform nature and himself to meet a need (Marx, 2012) contributes to the process of humanization and from there to think about satisfying other dimensions of human life such as literature, art and science. But capitalism and the advance of the precariousness of working conditions affect millions of workers castrating even the possibility of earning income to satisfy their basic needs, and "without his work/a man has no honor/ and without his honor/it is not possible to be happy".

In this discussion about non-access to work and the advance of unemployment, the IBGE helps in compression by having the classic indicator in studies on inequality, the unemployment rate, including people without a job, who are looking for a job and those who are available to start working immediately, according to IBGE's own definition. According to the data of the continuous PNAD⁵, the unemployment rate was quite high in the fourth quarter (Q4) of the analyzed year series, as shown in figure 01.

It is important to draw attention in Q4 2014, in which the unemployment rate of RN consisted of 10.5%, while the rate of Brazil reached 6.6%, a difference that reaches 3.9 percentage points (p.p). This high RN rate and the distance from the average of the northeast region in relation to Brazil, in addition to indicating regional particularities of the labor market, express the permanence of regional inequalities that will be further aggravated in later years with the economic crisis associated with fiscal adjustment, causing the growth of unemployment. Also noteworthy for Q4 2016, in which the unemployment rate of both reached the highest percentage points in the analyzed period, with 12.2% in Brazil, 14.5% in the Northeast and RN with 14.7%.

⁵ The PNAD data still cited here were obtained from the IBGE automatic recovery system (SIDRA) of the Brazilian Institute of geography and Statistics (IBGE), with public access at <https://sidra.ibge.gov.br/home/pnadct/brasil>

Figure 01 – Evolution of the unemployment rate in Brazil, Northeast and Rio Grande do Norte (2014-2021)



Source: Brazilian Institute of Geography and Statistics (PNAD); Author's elaboration. (2023)

Thus, it can be seen that there was an increase of 3.1% in the vacancy rate of RN from 2014 to 2018 and within this historical series the state always presented figures higher than the national average. This means that the impact of the adjustment in the country, adopted more incisively since 2015, has effectively compromised the state's capacity to act and its role as an inducer of investments that generate job opportunities and increase the wage bill.

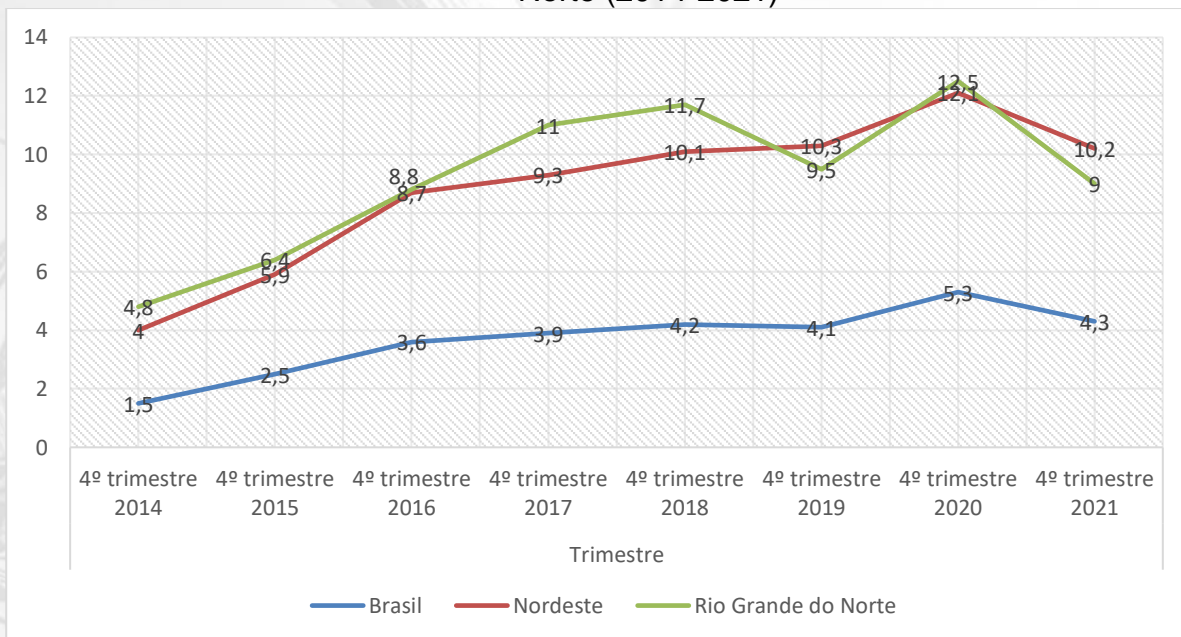
The fact is that unemployment, which already affected a significant contingent of Brazilians in the pre-pandemic scenario, is now even more aggravated by the health crisis, as can be seen in Graph 01. The first year of the pandemic significantly affected the working class with the elimination of jobs and the fall in income, and this situation was aggravated by the lethargy of the Bolsonaro government in adopting consistent emergency measures. This scenario was even more serious in the Northeast Region and in Rio Grande do Norte – which have higher rates than the national average, indicating the worsening of regional inequalities in the country. As a result, in 2021 there was a cooling with a small drop in unemployment rates, which could express the containment measures of closing companies and maintaining jobs and the emergency aid itself, which contributed to people having a minimum income, although insufficient, in the face of needs.

This reality of access to work in a precarious or insufficient way in the face of the objective and real needs of workers also has another face, even more degrading, because

it is the condition of millions of people who would like to work and would be available, but stopped looking for work because they think they would no longer find it, according to the definition used by IBGE for the survey in the country ⁶.

The worsening of discouragement in compliance in the country can be expressed in the data shown in figure 02, in relation to the percentage of people in the labor force in this condition in Brazil, in the Northeast and in Rio Grande do Norte.

Figure 02 – Percentage of discouraged people in Brazil, Northeast and Rio Grande do Norte (2014-2021)



Source: Brazilian Institute of geography and Statistics (PNAD); Author's elaboration. (2023)

It is noticed that this reality in 2014 in Brazil affected 1.5% of the Brazilian population, increasing year after year, reaching the level of 4.2% in 2018. Regional inequalities are expressed once again in the analysis of the indicators when it is found that this reality, already quite aggravated at the national level, acquires even accentuated contours in the Northeast and potiguar reality, since, in 2019, discouragement reached a rate of 9.5% in the Northeast Region and 10.3% in the state of Rio Grande do Norte.

The incidence of adjustment also affects other dimensions of social life, considering that the retraction of the state's performance affects both the financing of social policies and

⁶ The discouraged are people who would like to work and would be available, but did not look for work because they did not think they would find it. There are several reasons that lead people to give up looking for work, among them: not finding work in the locality, not getting suitable work, not getting work because they are considered too young or old, or not having professional experience or qualifications. Available at: IBGE EXPLICA DESEMPREGO <[Desemprego | IBGE](#) [Desemprego | IBGE](#)> . Accessed May 22, 2023.

the capacity to invest in the economy in order to generate jobs. This way, it compromises the wage income itself and the purchasing power of families, which will be addressed below.

(b) No income

The price of beans
doesn't fit in the poem.
The price of rice
doesn't fit in the poem.

[...]

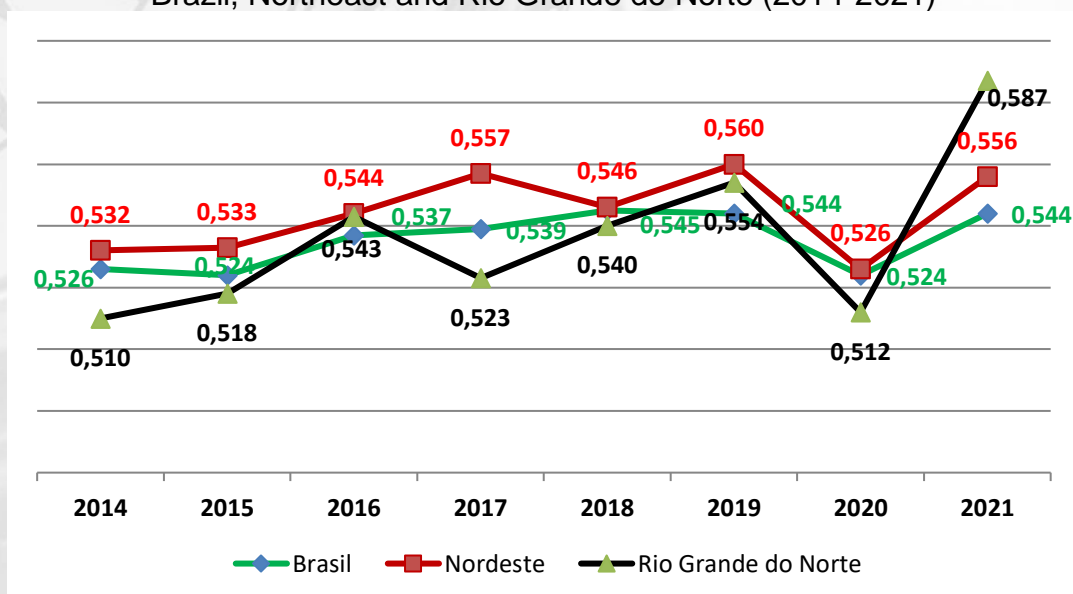
How does it not fit in the poem the worker
that grinds their day of steel and coal
in the dark workshops

Não há vagas (No Vacancies) – Ferreira Gullar

With the increase in unemployment and discouragement in the Brazilian reality there is a direct impact in relation to non-guarantee of income, often insufficient to supply essential items. So the beans do not fit in the poem or in the shopping list of thousands of Brazilians. In this context, despite the argument made about the imperative need to contain the state's fiscal crisis, justifying greater sacrifices by society, fiscal adjustment measures reproduce the conditions of concentration and accumulation of income and wealth for the benefit of the capital-holding class.

According to figure 03, *Gini* index, measured on the basis of per capita household income, had been growing in the pre-pandemic period since 2015.

Figure 03 – *Gini* index per capita household income, at average prices of the year for Brazil, Northeast and Rio Grande do Norte (2014-2021)



Source: IBGE2023. Continuous National Household Sample Survey. Author's elaboration.

In 2020, with the emergency aid, there is a drop in the index, staying at the level of 2014 and, with the reduction in the value and coverage of the aid in 2021, the level of high social inequality in Brazil was revealed. In the case of the Northeast Region and the state of Rio Grande do Norte, the increase in income concentration was even greater. As the covid-19 pandemic worsened, a movement was revealed that was already consolidating with worsening living conditions for the poorest portions of the Brazilian population.

Based on the data of the single register for social programs of the Federal Government (CadÚnico) it is possible to verify the increase in the number of people in poverty and extreme poverty⁷ in the state of Rio Grande do Norte, between December 2019 and December 2022, according to figure 04.

Figure 04 – Number of people in poverty and extreme poverty in the RN registered in the Single Register (2019-2022)



Source: Secretariat for Evaluation and Information Management – SAGI. Vis DATA 3 Platform. (Dec / 2022);

A complete analysis of the data shows the worsening of the impoverishment of people in Rio Grande do Norte, considering that in the analyzed period, more than 200 thousand people entered or returned to the situation of extreme poverty in the state, which represents a variation of 20.4%. Many of these people registered in CadÚnico left the poverty line and began to thicken the extreme poverty line.

⁷ As of June 2018, in CadÚnico, the considered income range *per capita* for extreme poverty it was up to R\$ 89.00 and for poverty it ranged from R\$ 89.01 to R \$ 178.00.

The aggravated unemployment in the pandemic made a greater contingent of people in poverty and extreme poverty emerge, contributing to the degradation of the living conditions of the Brazilian population, one of the facets of this worsening, the condition of food insecurity, which in its highest degree means hunger, the most harmful expression of poverty, since it is the threshold of human survival, as analyzed below.

c) Without food

We are many Severinos
equal in everything in life:
[...]

And if we are Severinos
we die the same death,
same death severina:
that is the death of which one dies
of old age before thirty,
ambush before twenty,
from hunger a little a day
(from weakness and illness
the death severina
attacks at any age,
and even unborn people).

Morte e Vida Severina (Life and Death Severina) – João Cabral de Melo Neto

The Morte e Vida Severina that marks a reality of poverty and lack of safe and protected access to the labor market that seemed to have remained in the past resumes with force in the period of health and economic crisis. So to identify the death "from hunger a little a day" as João Cabral de Melo Neto alludes to the worsening condition of food insecurity in Brazil during the pandemic, the Brazilian Research Network on sovereignty and food and Nutrition Security – RBPSSAN, conducted in 2020, a national survey on food insecurity in the context of the Covid-19 pandemic in Brazil. The data provided in this study showed that, of the total of 211.7 million Brazilians, 116.8 million lived with some degree of food insecurity and, of these, 43.4 million did not have enough food and 19 million faced daily hunger (RBPSSAN, 2021).

This worsening in food insecurity conditions in Brazil had already been pointed out in the Family Budget Survey (POF), conducted by IBGE in 2017/2018 (IBGE, 2020), indicating Brazil's return to the "Hunger Map" prepared by FAO/UN.

In the RBPSSAN Network survey, two important elements stand out: the fact that only 44.8% of the Brazilian population was in conditions of food security (FS) in 2020 and that there was a significant increase in severe food insecurity that confirmed the return of

hunger in Brazil. This way, the country regressed to a reality that had already been overcome, so that the rate of 9% of the population in severe food insecurity was at the same level as in 2004, more than 17 years ago, exactly when the country had initiated a set of measures to combat hunger and reduce extreme poverty. This set of measures adopted by the PT governments at the head of the executive in this time frame contributed to reducing the levels of extreme poverty in Brazil, resulting in the country's exit from the hunger map prepared by FAO/UN (2014).

The RBPSSAN Network report (2021) highlights that, considering the profile of the family reference person, severe food insecurity was six times higher when this person was unemployed, and four times higher among those with informal work, when compared to those with some type of formal work. In this sense, the direct determination that involves access to work, income guarantee and consequently food stands out, thus having the increase in unemployment in Brazil a profound impact on the rise in food insecurity rates. The research (RBPSSAN, 2021) revealed that the unemployment of some resident and family indebtedness are the two conditions that most impacted access to food in the surveyed period.

In addition to the increase in unemployment rates and the fall in income earned at work, regional inequalities are determinants in this process of worsening food insecurity. The survey conducted by RBPSSAN in 2020 allows the analysis of food insecurity at the regional level, in which the worsening of this situation in the North and Northeast regions stands out, with 63.1% and 71.9% of the population in food insecurity (adding mild, moderate and severe), respectively (RBPSSAN, 2021).

The correlation between job loss, indebtedness and access to food is also expressed in the most recent study published by the Network, which continues this important effort to map and publicize data related to food security in the country, the II National Survey on Food Insecurity in the Context of the Covid-19 Pandemic in Brazil (RBPSSAN, 2022). In the study data, it is possible to see that food security was higher only in households with guardians in work situations with formal employment, which consisted of 53.8%. Severe food insecurity, which concretely represents hunger, had a higher rate in households where the reference person was unemployed (36.1%) or when he/she worked as a family farmer or rural producer (22.4%). Thus, more than a third of households with unemployed head of families faced hunger, and more than half of them were struggling to eat properly, in a situation of severe or moderate FI.

In general population terms, there are 125.2 million people living in households with food insecurity and more than 33 million Brazilians in a situation of hunger (severe FI). In geographical terms, 25.7% of families in severe FI reside in the North region and 21.0% in the Northeast region (RBPSSAN, 2022), demonstrating again how serious the hunger situation becomes in regions that suffer secularly from inequality.

4 FINAL CONSIDERATIONS

This study was dedicated to analyze the implications of fiscal austerity measures in Brazil and its rebuttals to the worsening conditions of poverty and social inequality in Rio Grande do Norte, considering the national context in the period from 2014 to 2021. From this question it was possible to glimpse how much the structural fiscal adjustment implied in limiting the state's performance with a reduction in investments in social policies that should guarantee the decent conditions for survival of the most vulnerable portion of the population in the Covid-19 Pandemic.

The study demonstrates that in the pre-pandemic scenario, a socioeconomic crisis was already deepening in a context of institutional instability in the country, restricting the capacity of state intervention. Thus, in the scenario of the pandemic, we visualize the impacts of the radicalization of the structural fiscal adjustment that restricted budget allocations, contributing to the worsening of health conditions and poverty and social inequality, especially with the increase in unemployment, the fall in the income of the impoverished classes and the explosion of hunger in the country.

This reality reaffirms the importance of the allocation of the public fund to guarantee assistance and well-being of the population, as well as in economic dynamization, impacting on the generation of employment and income guarantee. On the contrary, fiscal austerity meets the demands of parasitic financial capital, maintaining high spending on interest and public debt services, impacting on the rise in unemployment and the fall in income that are directly related to the rise in food insecurity rates.

The sharpening of these social indicators occurs in regions that accumulate historical and structural deficits, resulting from regional inequalities, as is the case of the Northeast Region and the state of Rio Grande do Norte, as demonstrated by the increase in unemployment rates, the fall in income – accompanied by the concentration of wealth – and the increase in food insecurity, during the pandemic period.

From all the above, it can be concluded that the degradation of the living and working conditions of the impoverished parcels in the Northeast and in the RN as of 2020, does not

result only from the outbreak of an unusual pandemic, but from the options and decisions of governments in the pre-pandemic period, glimpsing the interests of financial capital, leaving the population without rapid and adequate protection in the health emergency. Many of the lives lost are therefore due to this "civilizing role for big capital in the Northeast; there, as in all other parts of Brazil, it is oppression, obscurantism, the denial of the future" (OLIVEIRA, 1977, p.17).

However, this is not a question of historical fatalism, for "there is no disgrace without grace, no head that does not have its tail no despondency that does not seek its breath. Nor is there a school that does not find its counter-school." (GALEANO, 1998, p.17). If the school of capital deepens social inequality, poverty and hopelessness, there are also signs of resistance and active reaction in the popular struggles for a public fund at the service of the working class, with social investments that guarantee income, dignity and hope for the Brazilian, Northeastern and Rio Grande do Norte people.

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