

# NEOLIBERALISM, AUSTERITY AND THE DISMANTLING OF SOCIAL RIGHTS: AN ANALYSIS FROM THE PERSPECTIVE OF THE EFFECTS ON THE SOCIAL SECURITY REFORM

NEOLIBERALISMO, AUSTERIDADE E O DESMANTELAMENTO DOS DIREITOS SOCIAIS: UMA ANÁLISE NA PERSPECTIVA DOS EFEITOS SOBRE A REFORMA DA PREVIDÊNCIA

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## ABSTRACT

In the scenario of state crisis, the advance of neoliberalism, and austerity measures, the article seeks to relate social security reform with the dismantling of social rights in countries. Thus, the work aims to respond to the following research problem: how does the influence of neoliberalism occur in the discourses in favor of social security reform? From this, the research aims to analyze how neoliberalism was able to inflate theses and arguments in favor of this reform policy. In the end, the research hypothesis had been corroborated, because neoliberalism, in addition to converting all the domains of life into economics, is also responsible for the drastic disinvestments in social rights carried out by states, by interfering in the political activities of public entities, through the imposition of austerity policies, based on the reduction of public spending and inducers of economic growth, as well as the payment of state public debt. The research was developed through the deductive approach method.

**Keywords:** State crisis; Neoliberalism; Austerity; Social Rights; Social security reform.

## RESUMO

*No cenário de crises do Estado, do avanço do neoliberalismo e das medidas de austeridade, o artigo procura relacionar a reforma da previdência com o desmantelamento dos direitos sociais nos países. Assim, o intuito do trabalho é responder ao seguinte problema de pesquisa: como se verifica a influência do neoliberalismo nos discursos em favor da reforma da previdência? A partir disso, a pesquisa objetiva analisar de que forma o*

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*neoliberalismo foi capaz de insuflar teses e argumentos em favor dessa política de reforma. Ao final, a hipótese de pesquisa fora corroborada, pois o neoliberalismo, além de converter todos os domínios da vida em economia, também é responsável pelos desinvestimentos drásticos em direitos sociais realizados pelos Estados, ao interferir na ação política dos entes públicos, por meio da imposição de políticas de austeridade, fundadas na redução dos gastos públicos e indutoras do crescimento econômico, bem como do pagamento da dívida pública dos Estados. A pesquisa foi desenvolvida por meio do método de abordagem dedutivo.*

**Palavras-chave:** *Crises do Estado; Neoliberalismo; Austeridade; Direitos Sociais; Reforma da previdência.*

## 1. INTRODUCTION

At the same time, through a scenario of articulation of neoliberal society, there are a series of distortions and transformations that affect the State, characterized as a central institution of modernity, and constituted to safeguard the rights and democratic relations of society. In this new context, markedly, one can perceive the various crises that cross state institutions and promote some weaknesses in their performance.

Having understood some crises, starting from the instrumentalization of globalization and the expansion of neoliberalism, the initial perception is that, increasingly, states are far from fulfilling the promises of their welfare project forged during modernity, to the extent that their action is constantly limited in the face of the promotion of private articulations and interests, by those who today find themselves at the top of the pyramid. In this sense, the work intends to observe some indications of the paths between the rise of economic austerity policies in some countries and their intersections with neoliberal rationality.

Starting from the analysis of political practices around this idea of austerity or cost reduction, by the discourse towards the idealization of a new project of economic growth, the research is concerned with analyzing how neoliberalism was able to inflate theses and arguments in the direction of a political conjuncture that resulted in the approval of constitutional amendment 103/2019, known as social security reform. To this end, the study intends to answer the following research problem: how does the influence of neoliberalism be verified in discourses in favor of social security reform?

The research hypothesis suggests that neoliberalism, in addition to converting all the domains of life into economics, is also responsible for the drastic disinvestments in social rights carried out by states, by interfering in the political activities of public entities, through the imposition of austerity policies, based on the reduction of public spending and inducers of economic growth, as well as the payment of state public debt. That is, the economic elites, the financial market, and the world banks are interesting to cut public spending, privatization, and state deregulations so that there is an economic capacity to pay off the debt. Thus, the neoliberal influence on policies such as social security reform can be verified when it is of interest in eliminating social security and promoting the saving of the State by sequestration of political power.

On the first point, the paper will analyze neoliberal discourses and austerity, as well as the relationship between them. In the second moment, it will specifically address the neoliberal contours present in the social security reform, considered one of the most recent austerity measures

in Brazil. The research will be developed through the method of a deductive approach because it will start from the analysis of neoliberalism and austerity as general categories to, during research and deepen the study of these categories, specify and insert them into the context of social security reform. As a method of procedure, the monographic method will be adopted. Finally, the research technique will be indirect documentation, through bibliographic research.

## 2. NEOLIBERALISM AND AUSTERITY: TRACES AND CHARACTERIZATION OF DISCOURSE

The intensification of the processes of globalization, as well as the difficulties faced by countries due to the tax crisis (characterized by the increase in public debt) accentuated at the end of the 20th century, corroborated a framework of the expansion of neoliberal policies (of which austerity is one of them) as a way to achieve the balance of state accounts. Although the perceptions about the relationship between neoliberalism and austerity are delimited throughout this first chapter, it is important to situate the reader, from the outset, about how the neoliberal experience is associated with the deepening of austerity policies, which is precisely the central proposal of the following chapter of openness.

### 2.1 NEOLIBERALISM AS AN ANTITHESIS OF THE SOCIAL STATE

In the current globalized order, the State, the central institution of modernity, has been going through a process of fragmentation due to a set of crises that unfold in conceptual, structural, institutional, functional, and political dimensions. In this scenario of complexities, there are several new actors in the transnational arena, such as large companies and financial organizations that, due to the protagonism conquered in recent decades, end up weakening and conditioning state institutions (BOLZAN DE MORAIS, 2015, p. 25).

The directions assumed by modernity demonstrate that the conformation of the social character of the State, aimed at the promotion and protection of social well-being, as well as the implementation of public benefits, also faces crisis. To the extent that countries are confronted by the twists produced by neoliberal globalization and its reform projects, there is a weakening of the social welfare project and, consequently, the unprotection of the social rights of that portion of the population disadvantaged by contemporary economic processes (BOLZAN DE MORAIS, 2011, p. 40).<sup>34</sup>

3 Despite the complexity involved in the theme, the approach to the reasons for the crisis can be done in numerous ways. The first concerns the notes of Bolzan de Morais, for whom the welfare state is at the center of a structural crisis of the State, which is divided by the author into three aspects: the fiscal-financial crisis, characterized by the weakening of social political structures, which presuppose a sustainable rearrangement; the ideological crisis, by which the forms of organization and management adopted by the welfare state are questioned and a contradiction is put into contradiction to democracy (as a political formula) and bureaucracy (as a functional arrangement); and the philosophical crisis, which reaches the foundations on which the social welfare model is based and translates into the inability to consolidate the social state project, by the disaggregation of its base, essentially in the insufficient construction of public policy strategies aimed at the implementation social rights (BOLZAN DE MORAIS, 2011, p. 42-48).

4 As globalization gained strength especially from the 1980s onto new international production networks, as well as the dispersion of production units in different countries, market interpenetration, instantaneity of financial flows and changes in the types of wealth and work.

It is noticeable a situation in which there is a certain loss of economic coordination capacity of the State, as well as its autonomy in the formulation of regulatory strategies, which evidences not an only crisis but also the loss of its centrality of action. Thus, there is a scenario in which the State has smaller investments to meet the demands of the most dependent sectors and fewer possibilities to formulate strategies of resistance to economic agents that indebt the public sector (SPENGLER; WRASSE, 2019, p. 133). In other words, this withdrawal from the State as an exclusive axis of action reflects its inability as a provider of social rights and its flexibility concerning the determinations of private powers.

In this sense, parallel to the existence of a weak or fragmented Social State, it is clear that the crisis that crosses this model is also the result of the rise of neoliberal policies that, in recent decades, have been responsible for its dismantling. This is because neoliberalism, although it is an expression of polysemic meaning, according to Wendy Brown's perspective (2019, p. 29),<sup>5</sup> "is commonly associated with a set of policies that privatize property and public services, reducing the Social State", through processes of labor, deregulation of capital and climate production of taxes and tariffs friendly to foreign investors. It can be affirmed that neoliberalism is largely responsible for the well-known crisis of the State since this current denies the very idea and importance of the component of social justice tied to the state figure.<sup>6</sup>

It is possible to understand, based on Brown (2018, p. 7-8), a double-sided view of how processes introduced by neoliberalism affect individuals because, while on the one hand, they seek to emanate from the networks of state regulation, on the classic ideals of individual freedom and autonomy, on the other, they empty and eliminate various public goods (through the privatization of companies, for example), end up with social security benefits and also untie the powers of corporate and financial capital and dismantle that classic solidarity, typical of modernity.

Neoliberalism is neither considered singular nor constant, on the contrary, it takes different forms and contents in the most diverse areas, so one cannot ignore Klein's finding (2007, p. 54) by stating that this ideology is chameleonic and does not obey a simple identity or nomenclature.

Nevertheless, as a way of situating the reader, the perception of Dardot and Laval (2016, p. 15-17) is adopted, associating neoliberalism with a "set of discourses, practices, and devices that determine a new model of government of men according to the universal principle of competition". The idea advocated by the authors is in the sense that neoliberalism is fundamentally a "rationality" and, as such, "tends to structure and organize not only the action of the rulers, but even the conduct of the governed". It is, therefore, governmental rationality that, in addition to shaping the subjectivity of individuals, by the universe of widespread competition, has been able to govern public policies, command world economic relations and transform society.

In addition, it is interesting to analyze how it affects the functioning of states in the psychic sphere of individuals. As Berardi (2003, p. 10) notes, in today's society there is a new productive and cultural discourse, driven by neoliberalism, carried by a promise of individual happiness and broadening the horizons of knowledge through professional success. This false promise, in the author's opinion, drives the hope of achieving happiness and success to workers who

5 To paraphrase Foucault, Gago (2015, p. 224) explains that the so-called neoliberalism of the ordoliberal school arose in Germany after World War II, in order to legitimize a "non-existent" state, unlike neoliberal thought of the eighteenth century, which was based on the introduction of market freedom in the face of the existence of a "reason of state".

6 In this sense, Brown (2019, p. 29) cites as an example the policies imposed on Chile by Augusto Pinochet, often determined by the International Monetary Fund in the form of mandates of "structural adjustment" linked to the restructuring of loans and debt.

are often highly trained and skilled but have agreed to work under conditions of astonishing stress, including severely low wages, fascinated by an ambiguous representation that they are self-employed, taking competition as the universal rule of human existence.

Sharing similar concerns, Han (2015, p. 29-30) explains that the individual in this neoliberal order is the “lord and sovereign of himself.” The performance subject is free from any external instance that forces him to work and is simply submissive himself. In this sense, the author defends the idea that unlike the subject of obedience worked by Foucault, this new subject of performance surrenders to the “free coercion of maximizing performance”. In this case, as well observed by the author, overwork becomes self-exploration, which ends up becoming more efficient than an exploration of the other because it goes hand in hand with the feeling of freedom.

By introducing a kind of saving of society through the conversion of all areas of life into an economy, the freedom originally promised by neoliberalism and, at the same time, the ends and appreciation of citizens, treated as companies, are reversed. From that moment on, for Brown (2015, p. 29-30), there is the characterization of a paradoxical reversal, by which the individual, while being freed from the shackling of state regulation, now commits himself to the general well-being of the nation, sacrificing himself in the name of economic growth. From the author’s perspective, “a logic that combines a simplifying thought about the human capital of successful companies with a national-theological discourse of moralized sacrifice”. An example of this neoliberal paradox is the promotion of private retirement funds, which collapse or disappear with each financial crisis.<sup>7</sup>

In this context, it is as if all institutions are unimproved operating mechanisms. Not only the company, but the state and all individuals in its relationships “calculate their possibilities of living in terms of cost-benefit”. Concerning the State, in all its dimensions, “it begins to be colonized by the discourse of business management, guided by a formal, abstract and hedonistic view of efficiency, which despises any element that transcends the economic and monetary sphere” (MOURA; BOLZAN DE MORAIS, 2017, p. 187).

As can be seen, neoliberal thought takes over all areas of life and, in fact, soon reached the State and its policies. In this sense, Ferrajoli’s perception (2015, p. 158) is the perception of globalization and the power of liberal ideology and analyzes how both culminated in the development of a market without rules that directly influence the social policies of countries, further aggravating the state crisis. Along these lines, in addition to neoliberal policies conditioning state actions and determining cuts in public investment in health and education, privatizations, deregulation, and liberalization, they follow a recessive spiral in countries, accompanied by the growth of inequalities, lower investments, and austerity policies.<sup>8</sup>

Investigating or portraying how these external forces act within states is interesting even to understand how the current crisis has developed over the years. In this sense, the neoliberal policies of capitalist elites operate concrete changes in the social fabric of states, without them having control of their actions (GAGO, 2015, p. 255). Neoliberalism has captured public power at the level of governments themselves. Through the indebtedness of the State and other

7 Adds Brown (2018, p. 35): “While neoliberal political rationality, administered by governance, eliminates the last traces of the classic republican formulation of citizenship as public engagement, she however, it retains, transformed, the idea of citizen sacrifice.”

8 Not to take the expressions “liberalism” and “neoliberalism” as equivalents, it is worth stressing that “the neoliberal assault on the social, along with its identification of power exclusively with coercion, enacted as a consequence a reformation of liberalism” (BROWN, 2019, p. 53).

mechanisms, a process is generated in which, increasingly, “the government has to account to the ‘market’, and turn its back on citizenship”. With this, the government that does not respond to the interests of the population that elected it prevails, but to the interests of the market, that is, essentially financial interests (DOWBOR, 2017, p. 134).

Nevertheless, it should be noted that, in neoliberalism, the state’s action is interesting, so it is not a question of removing the State from the scene, but of this bowing to the new conditions imposed by the private powers. The very political construction of global finance can elucidate this panorama because with the resources of the State and with the rhetoric of the national interest governments conduct policies advantageous to companies and disadvantageous to the employees of their countries. In this case, it is interesting to note that states are a fundamental part of the realization of private interests, so much so that the social setbacks imposed on the large part of the population by the neoliberal discipline organize a transfer of income to more fortunate classes through covert discourses that allow the blame for the dismantling of the Social State (DARDOT; LAVAL, 2016, p. 282).

As Brown (2019, p. 53) points out, it is still necessary to consider the existence of a whole neoliberal discourse historically built also in common sense, around the idea that the Social State is to blame for the economic catastrophe that countries have been facing. This misstep, along with the discourse of personal responsibility and competition in the market around individual freedom, propagates the idea that taxes are theft, in addition to blaming the poor for their poverty status, as well as attributing to their social minorities and discriminated groups the responsibility for their tiny presence in elite positions. In other words, this attack on the social by neoliberalism franks the exercise of freedom, regardless of society and without worrying about the good.” It means affirming the destruction of the “lexicon by which freedom becomes democratic, combined with a social conscience and nested in political equality”. It means affirming, in some sense, the attempt to end democracy, since it does not exist without social justice.

In a way, the State has not abandoned its role in the management of the population, but its intervention seems to meet other reasons: in place of the welfare economy, through which emphasis was placed on the harmony of economic progress and the equitable distribution of the fruits of growth, “the new logic sees populations and individuals from the narrowest angle of their contribution and their cost in world competition”. This context is similar to the affirmation of a new type of social policy, in which the bargaining power of trade unions is weakened, labor law is degraded, the cost of labor is lowered, the value of pensions and the quality of social protection is reduced in search of adequacy to globalization (DARDOT; LAVAL, 2016, p. 284).

There is no doubt about the existence of dramatic disinvestment in social rights, since the saving of the political dimension results in the untying of popular power and democracy, with states that increasingly give up the idea of the social. Through an inversion of values, social rights and even welfare and social assistance services become the antithesis of market democracy, that is, unacceptable blockades of the mythical free market. In this perspective, while the ties between state, finance, and corporate capital are strengthened, the popular action of workers and citizens is practically removed from the scene, both from political discourse, as well as from the popular political imagination and elites (BROWN, 2018, p. 29-30).

The circumstances that lead to the understanding of how the protagonism of financial bodies has made national governments powerless to draw attention to the influence that credit rating (or risk rating) agencies exert in this scenario. The grades attributed to countries by these

private rating agencies can determine investments by large companies in certain countries, and more than that, these ratings may be directly related to the imposition of austerity policies on countries, cutting the state budget, to promote growth. For example, it was enough that in August 2011 *Standard & Poor's* lowered the U.S. triple credit rating, stating a protracted controversy over raising the statutory debt ceiling and its budget policy debate so that the decade-long budget cuts (austerity) would be discussed again in the Senate (BLYTH, 2017, p. 23).

Brazil, in the second half of 2015, also served as an example of how national states are unable to conduct some external forces and articulations, when the same agency (*Standard & Poor's*) lowered its credit rating due to the serious political crisis that was surrounding the country, especially by allegations of corruption schemes involving public and private companies. The day after the drawdown, the dollar opened the session on a high, surpassing, at the time, R \$ 3.90, which represented a risk of dramatic shock to the country's currency. Not to mention that, with the drawdown, chances of investments are lost in the country, since some large investors are linked to statutes that prohibit the application of capital in countries that receive unsatisfactory notes (GERVASONI, 2017, p. 228-229).<sup>9</sup>

Numerous situations could be called upon to illustrate the influence that financial markets have on states. Indeed, the capture of political power by the debt mechanism is only one way of portraying this influence and, perhaps, the most important also to make up for how these austerity measures become increasingly common among the policies of states. According to Dowbor's approach (2017, p. 126), large financial groups have enough power to enforce the appointment of those responsible in key positions, such as central banks, transforming external pressure into internalized structural power. Financial institutions control public debt, giving them greater leverage over government policies and priorities. In this sense, they typically demand austerity measures and structural reforms aimed at favoring a neoliberal market economy that ultimately benefits the same banks and corporations. It is recognizing a cyclical path or a debt trap because financial bodies have an interest that states are evening debt and, therefore, reducing social spending becomes paramount.

## 2.2 AUSTERITY AND ITS IMBRICATIONS WITH NEOLIBERAL RATIONALITY

As neoliberal rationality intensifies and gains form as a global project, in place of a welfare state and social policies, austerity is presented as the only measure capable of balancing the books. As Blyth (2017, p. 30) explains, for whom austerity is a dangerous idea, it is defined as a form of voluntary deflation in which the economy adjusts by reducing wages, prices, and public spending, to restore competitiveness that is supposedly better achieved by cutting the state budget, debts, and deficits. The author states that austerity is "appealing" and usually summed up in the phrase "you can't settle the debt with more debt", with which you even agree. However, their concern is that those who pay the debt are the ones that are at the base of income distribution and end up losing much more than those at the top and practically do not depend on

9 In 2015, the dollar in Brazil was quoted at R\$ 2.68 in January and reached R\$ 3.42 at the end of July. At the end of the year, in December, the price was R\$ 3.94. This information was extracted from: G1. **Dollar rises 48% in 2015, highest annual high in nearly 13 years**, 2015. Available at: <http://g1.globo.com/economy/markets/noticia/2015/12/dolar-termina-ultima-sessao-do-ano-em-alta.html>. Access: 08 Jul. 2020.

services produced by the government. In other words, it means that the impoverished population dependent on the social protection of the State ends up paying the largest share of the debt, by restricting social rights, to those who hold wealth.

Dowbor's perception (2017, p. 137) that the public sphere and the population are indebted in the hands of the giants of the financial system is right. From the current Brazilian portrait, in addition to the famous state debt, the population is increasingly indebted. Perplexed, people perceive their "dirty" name on Serasa-Experian (which, by the way, is a multinational) if they do not respect the truncated rules of the system. In this case, what seems to be left is a feeling of powerlessness, because, in the confusion of financial rules, citizens contribute to the concentration of wealth and power with the high interest paid to banks and public debt, and austerity policies that deprive them of their rights.

Furthermore, western governments, central banks, the International Monetary Fund (IMF), and related international institutions are being considered to be in favor of a speech in favor of reducing excessive government debt, reducing excessive welfare programs, reducing excessive regulation. This is the language of the main institutions that place an order in the globalized neoliberal world, propagating the implicit promise that reducing these excesses of social policies, would be like reducing the excessive debt of countries. Thus, economic and financial actors want "a world in which governments spend much less on social services or the needs of neighborhood economies or small businesses and much more on the deregulations and infrastructure that corporate economic sectors crave" (SASSEN, 2016, p. 253).

This perspective is also recognized by Brown (2018, p. 41-42), for whom austerity discourses have come to dominate the political scenario of states, as a principle of undeniable reality. It means that the citizen has learned to accept drastic cuts in social services and services and, instead of being protected by the state, this new citizen held responsible tolerates deprivation, insecurity, and extreme exposure to maintain productivity, growth, fiscal stability, or the market influence of the nation. In the movements of neoliberal society, while the whole sphere of life is commercialized and the State is reconfigured according to a business model, making economic growth its only end, all possible citizenship consists in aligning expectations and ways of life to these ends.

With multiple facets, the neoliberal practices of integrating both countries and citizens into a common project of economic growth undermine the premise of solidarity of modernity, through hate speech towards workers, pensioners, immigrants, beneficiaries of social assistance, women, among other portions of the population excluded from the economic elite and which, by the way, are described as "leeches operating in an old world of privilege rather than on their own." If that were not enough, "they are also blamed for sinking states into debt, jamming growth, and bringing the world economy to the brink of collapse" (BROWN, 2018, p. 40).

Finally, of these imbrications between austerity and neoliberalism, the fact is that, gradually, states have disinvested in social rights. Moreover, it is interesting to note how the neoliberal paradox has several particularities: while, on the one hand, it exploits people who can work and makes them entrepreneurs of themselves, on the other, purges the social rights of the population that is somehow dependent on public policies. This reality can be seen in austerity policies, also known as reforms, which are increasingly common in the interiors of states in terms of social rights and benefits. So far, what is intended to be pointed out is that austerity/cost reduction is the policy that allows cutting investments in health and education, labor reforms,



social security reforms, or these political and neoliberal discourses that countries are moving towards (illusory) economic growth.

### 3. THE INFLUENCE OF NEOLIBERALISM IN THE DEBATE ON SOCIAL SECURITY REFORM

Once this point has been reached, the impacts of the neoliberal rise in all areas of life, as well as in states, seem clear. In this new scenario, disinvestments in social rights are recurrent, since the so-called spending reductions represent both the saving of the political sphere of the State, as discussed in the previous point, and the evidence of a union between neoliberalism and austerity, the currently dominant in the discourses of government leaders in most countries, although disguised or distorted by the idea of economic growth.

Neoliberal political rationality gradually eliminates the last traces of the classic formulation of citizenship as public engagement, by transforming it into the idea of citizen sacrifice in defense of the country's economic growth. An example worked by Brown (2018, p. 31-32) of this conversion of democratic citizenship and justice into economic purposes can be seen in Obama's speech in 2013, shortly after his re-election. In calling for social justice and environmental recovery, each speech of the former President of the United States referred to the contribution of the progressive agenda to economic growth. So, when Obama argued for *Medicare*, *immigration reforms*, raising the minimum wage, fighting sex discrimination, and investing in research, housing, clean energy, and education, all of these causes were in defense of "their contribution to American economic growth and competitiveness."<sup>10</sup>

It is perceived that the economic and scientific character of state policies convert the image of the State into a company, which greatly diverges from its modern construction. Moreover, this conversion is easily verified at the time of speeches and speeches in defense of austerity policies in which it is promised to reduce costs/expenses in the name of economic growth/development of countries. This trend is not only observed in several countries, but also in Brazil, where the increase in this neoliberal impulse can be visualized in the constitutional reforms of fiscal adjustments that began with Constitutional Amendment No. 95 in 2016, extending through labor and social security reforms.

For example, the labor reform (Law 13.467/2017), approved in Brazil in 2017, modified the Consolidation of Labor Laws (CLT) and brought numerous losses to workers. In this case, as in most austerity policies, his proposition came disguised as a public interest, based on the promise of job creation and economic growth for the benefit of the population. However, as expected by experts and critics of the proposal, the promise was not made. Contrary to the federal government's expectation that labor reform would generate formal jobs, the unemployment rate in Brazil reached 12.2% in the first quarter of 2020, an increase of 1.3% compared to the last quarter of 2019. According to data from the Brazilian Institute of Geography and Statistics

10 Brown (2018, p. 32) transcribes some excerpts from Obama's speech: "Every day we should make ourselves three questions as a nation: How to attract more jobs to our back? How do we equip our people with the skills they need to do these jobs? And how ensure that hard work leads to a decent life?". From this speech, one easily perceives how this liberal rationality is hidden in certain discourses, without the listeners realizing that they are "bewitched" by the factory of illusion and neoliberal efficiency.

(IBGE, 2020), there are 1.2 million more people in line for a job. In total, the country totaled 12.9 million unemployed in April 2020<sup>11</sup>.

Despite these circumstances that are already discouraging to social rights in Brazil, the analysis to which the article intends to devote attention is, in a special way, the social security reform (Constitutional Amendment 103/2019) and the neoliberal surroundings present in this austerity measure. In advance, it can be affirmed that, as with other proposals for cost reduction measures, the change in the social security system of countries is usually justified by the premise of exhaustion of public coffers or insufficient revenue to cover social expenses. For these reasons, before moving to this particular point, it is interesting to be clear about the scope of the logic of fiscal austerity that underpins the measure of fiscal adjustment by the government, preferably in public spending, because of factors such as the economic slowdown and/ or increases in public debt.

The reference to the neoliberal interest in austerity reflects the fact that states are completely involved in the finance market (point previously elucidated), so this adjustment known as austerity would have positive effects on agents' confidence in the economy. It means that by showing responsibility for public debt (in a way that meets the expectations of investors), the government gains credit from economic agents and, due to this improvement in expectations, the economy would undergo a recovery resulting from increased investment by entrepreneurs, consumption of households and attracting foreign capital. Austerity, therefore, would have "the ability to rebalance the economy, reduce public debt and resume economic growth" (ROSSI; DWECK; ARANTES, 2018, p. 16-17).

For these reasons, the influence of private actors concerning the approval of austerity measures in countries can be seen. Returning to the object of this study, there are strong indications that social security reform in Brazil (now consolidated in EC 103/2019) was approved to serve even the interests of certain private entities. Although it is difficult to establish to what extent there is effective responsibility of these agents in the decisions of the National Congress and it is not clear about the strength of corporate corporations in the Brazilian economic scenario, it is possible to verify this reality when comparing votes of the National Congress in social security reform and donations during election campaigns of people linked to large corporations active in Brazil.

Thus, it is possible to notice the direct and sometimes manifest interest of these companies in the approval of certain reforms, such as social security. In general, donations are made to multiple candidates, as a way to guarantee effective influence in the national congress votes. However, specifically, a survey conducted based on the accountability of the 2018 election campaign and the votes of the reform project in the House of Representatives is a good example to elucidate this interference. Precisely starting from <sup>12</sup>the ranking of donors presented by the Superior Electoral Court, in which José Salim Mattar Junior, owner of Localiza Hertz (the largest car rental company in Latin America), appears as the fourth largest donor (the total declared was R\$ 2,920,000.00 in donations), it was found that of the eight elected federal deputies who

11 Not to mention the impacts of the Covid-19 pandemic, which, as already evaluated by experts, will bring even higher numbers in relation to unemployment in Brazil.

12 For the construction of the analysis, the data provided by G1 were mapped in: <http://especiais.g1.globo.com/politica/2019/o-voto-dos-deputados/#!/deputados/undefined>, referring to the votes of each federal deputy in the two rounds of the proposal for social security reform, as well as the accountability of the 2018 election campaign made available by the Superior Electoral Court in: <http://divulgacandcontas.tse.jus.br/divulga/#!/consulta/campanha/2018/2022802018/ranks>.

received donations from the businessman during the campaign, all voted in favor of the adoption of the welfare reform bill.<sup>13</sup>

The social security reform, considered one of the most recent austerity measures in Brazil, carried with it functional discourses to justify its implementation, proper to neoliberalism, such as the famous statement that “there is no alternative” or the false view that “the social demands of democracy do not fit in the budget”. Such ideological constructions are moving towards privatization and the imposition of serious social setbacks, as was the case with the approval of the reform. Likewise, the discourses that make it seem that all citizens are equally affected and implicated by such measures today cross nations, companies, industries, cities, and public institutions, calling on individuals to “sacrifice for the survival or recovery of the economic whole, especially at the lowest levels of business and income scales” (BROWN, 2018, p. 46).

To some extent, these discourses carry the false feeling that people should contribute to the economic growth of the nation and, therefore, ended up collaborating with the acceptance of the population concerning the various kidnappings occurring in terms of rights benefits, since austerity, as a principle of undeniable reality, causes individuals to tolerate drastic cuts in educational assistance, health, and social security, for example, in the name of a larger goal: to recover the country’s economy.<sup>14</sup>

However, reality has a divergent perspective on these false promises of neoliberalism. As economist Eduardo Fagnani, professor at **Unicamp**, rightly said, the changes introduced by the reform shall be responsible for creating “a **mass of miserable people** in the coming decades, because only a few will be able to prove the **minimum** age and **contribution time**. And they will be thrown for assistance.” For Fagnani, the labor market in Brazil already has a large number of people in informality who do not contribute to social security. With even stricter rules regarding retirement, about 20% of these people will not be able to achieve the benefit and shall end up thrown into care, earning about 400 or 500 reais. Thus, by adding the impacts of labor reform and social security reform, the country’s scenario leads to a reality in which there will be a kind of consumerless capitalism. The economist is emphatic in stating that these measures shall generate “a soybean exporting colony, in which the population does not need to have income” (IHU UNISINOS, 2019). Based on this understanding, it is possible to conclude that even this expectation of economic growth is illusory with these reforms because capital also depends, to some extent, on people having income to be potential consumers.

Several discourses in favor of recent reforms in Brazil can be analyzed critically. For example, the argument that the social security system would supposedly need to be reformed due to people’s longer life expectancy was widely addressed by the Ministry of Economy, so much so that it increased the minimum retirement age (65 years for men and 62 years for women). However, this perspective creates a cruel paradox because the fact that the population can live longer should not be considered a problem for the State, which already indicates a possible

13 According to the detail of the accountability of the businessman, the federal deputies who received donations from the businessman and voted “yes” were: Rodrigo Maia (DEM-RJ), Marcel Van Hattem (Novo-RS), Tiago Mitraud (Novo-MG), Lucas Gonzales (Novo-MG), Paulo Eduardo Lima Martins (PSC-PR), Kim Kataguirí (DEM-SP), Pedro Cunha Lima (PSBD-PB), Vinicius Poit (Novo-SP).

14 Denise Gentil, PhD in economics and professor at UFRJ, says that, based on constitutional precepts, there is no need to talk about social security deficit: “In 2013 there was a surplus of R\$ 67 billion, in 2014 a surplus of R\$ 35 billion and in 2015 of R\$ 16 billion. The years 2014 and 2015 are years of recession, even so the social security system generated a surplus of R\$ 16 billion in 2015.” In the economist’s perception, to insist on the argument of the social security deficit as a central idea to make the **social security reform** is mistaken, since there is no lack of resources to cover expenses (IHU UNISINOS, 2016).

contradiction in the strategies of approval of the reform. If this were not enough, there is still a need to verify the statements about the deficit, stating that social security would be the most important item in the Union budget. On the contrary, according to the Budget Law of 2019, the largest expected expenditure of the federal government was debt refinancing and interest payments, and debt amortization (UOL LUPA, 2019).

In fact, in terms of social rights in Brazil, the setbacks are increasingly visible, precisely because of this neoliberal characteristic so present in the political sphere. The problem is that there is a ripple effect pairing these constant structural reforms, which generates a mismatch between the arguments for the approval of the reforms and the reality that they reproduce. As an elucidative proposal, we have the figures regarding informality in the country, including driven by labor reform and other deregulations, aggravating the situation of social security. Considering that one of the sources of the collection comes from including wages and payrolls, higher unemployment and informality shall represent lower collection for social security, and vice versa. This points to a contradiction, because the State promotes a social security reform, on the one hand. After all, it is in deficit, but on the other, a labor reform that causes unemployment and informality.<sup>15</sup>

In turn, the research coordinator of the Interunion **Department of Statistics and Socioeconomic Studies (Dieese)**, **Patricia Pelatieri**, says that **treating the country's largest social protection policy as a fiscal or spending problem was one of the major mistakes in social security reform. Unlike the propaganda for the approval of the reform that would end the privileges, its concrete result was that the poor and rich ended up impacted very distinctly by the measure. In this sense**, the richest 1% of the population did not have their privileges affected, "because there is no proposal to tax these billionaires to contribute and balance public revenue. So the privileged remain privileged." The rules have become even more severe for people who depend on this protection since, to retire with 100% of the average salary, it shall be necessary to contribute for 40 years (IHU UNISINOS, 2019).

In addition, it is possible to notice that women are significantly more affected by social security reform than the male population, because of the increase in the lack of pensions and, considering that, according to Dieese data, in 2017, 62.8% of women retired by age, against 37.2% of men, which demonstrates the difficulty of insured women in achieving more contribution time. The Institute also assessed, based on 2014 data, that women who retire by age have, on average, 16 years of contribution to the INSS, which already means a warning regarding the difficulty that shall be faced to achieve the necessary contribution time (FOLHA DE SÃO PAULO, 2019).

Such is the tendency and neoliberal interference in the Brazilian political scenario that there are still efforts to approve a parallel proposal, defended by the Minister of Economy, for the creation of the privatized capitalization system, similar to the one adopted by Chile when it reformed its social security system in the mid-1980s, driven by Pinochet's neoliberal dictatorship. Just to illustrate how this model works, each worker makes his savings, which are deposited into an individual account, rather than going to a collective fund. While it is kept, the money is managed by private companies, which invest in the financial market. The warning is that the major stakes for the private capitalization system are **the banks**, which will have for decades

15 Although the informality rate fell by 41% in the last quarter of 2019 to 39.9% in the first quarter of 2020, the IBGE estimated that until February 2020 Had a contingent of 36.8 million formal workers in Brazil (IBGE, 2020).

this **billion-dollar fund**. In Chile, the six institutions that made the capitalization model made billions, while workers' retirement was much lower than expected (IHU UNISINOS, 2019).

Following global neoliberalism, it is also interesting to highlight the measures imposed by *the troika* (European Commission, European Central Bank, and International Monetary Fund) concerning the Greek State, with a series of demands and reforms due to the country's gigantic debt. As a condition of resolving the country's economic crisis, *loans granted by the troika imposed conditions* on Greece ranging from changes in retirement, tax increases, and privatizations, to the return of creditors to the country to oversee the implementation of reforms (GERVASONI, 2017, p. 227-228). From this perspective, there are compelling reasons to believe that states are increasingly involved with private banks and the financial system and are always less committed to the social rights of the population.

Finally, the angle of observation proposed with these critical perspectives concerns how neoliberalism guides some global discourses and actions. The fundamental fact is that neoliberalism has today become the "dominant rationality, leaving liberal democracy nothing but an empty envelope". As dominant, this rationality takes over the political space and takes shape in a set of discursive, institutional, political, legal, and economic devices that form a complex and ubiquitous network, according to Dardot and Laval (2016, p. 384-385), "a global device that, like any device, is essentially strategic in nature".

Just as another point of observation about the different ways of analyzing how neoliberalism has permeated political action in Brazil, timely highlighting the management of the current government, in an interview granted to Folha de São Paulo (FOLHA DE SÃO PAULO, 2020) in July 2020, the secretary of privatization of the Ministry of Economy talks about his plans for the privatization of twelve state-owned companies in 2021. So far, unsurprisingly, from 2015-to 2017 the country has followed this neoliberal line concerning privatizing companies and cutting costs with social benefits toward the much-idealized economic growth.<sup>16</sup>

The problem lies in the fact that, since the largest pandemic ever experienced (Covid-19) became a reality in countries, much has been discussed about a possible redefinition of the state's action in the sense of protecting social rights, including having returned to the agendas the discussion on nationalization of companies (contrary to the neoliberal policy prevailing in recent decades, responsible for influencing the privatization of essential companies and services - such as health). As an example, there is the project of nationalization of a soybean exporting company in Argentina, just as France has already expressed interest in nationalizing *the companies Renault* and PSA. In this case, it is understood, through the secretary's speech, a certain insistence on neoliberal policies, against the other countries and, certainly, without worrying about the recovery of the social ills that the pandemic has found in Brazil. Privatizing companies also means eliminating public goods and thereby cutting off investments in health, education, and essential goods. As state revenue swells, the resources available for investments are minimized and, in this recessionary spiral, the population excluded from economic elites remains too much.<sup>17</sup>

16 The secretary's speech presents the government's strategy of privatization, with the initial project of privatizing the following state-owned companies: ABGF (Brazilian Fund Management Association); Eletrobras; Nuclep (Nucleons Private Equipment); Ceagesp (Companhia de Entrepósitos e Armazéns Gerais de São Paulo); Ceasamines (Supply Centers of Minas Gerais); Codesa (Santos Spirit Dock Company) (FOLHA DE SÃO PAULO, 2020).

17 These data were extracted from articles of *valor econômico* magazine, whose sources are in the list of references of the work.

The neoliberal interference with structural reforms interested in reducing social rights benefits is marked by austerity, which, alongside market liberalization and privatization, are the three central pillars of neoliberalism. In this sequence, it is possible to observe the Brazilian reality, while austerity policies have been happening during a period of extreme political instability and increased social ills in the country. Moreover, considering that the defense of private interests erodes democracy and strengthens corporate power in the political system, the diagnosis that can be made of Brazil, especially in recent years, is of a country in which austerity – recently observed in social security reform – juxtaposes the victims of the cuts (here considering mainly the poorest portion of the population) with the perpetrators of these policies, financial system, economic elites and subservient governments (ROSSI; DWECK; ARANTES, 2018, p. 28).

By assuming the power of privatization, constituted by state deregulation and the expansion of the reach of the personal and protected sphere, neoliberalism conceptually operates the dismantling of public institutions with private norms, extending to delegitimize the provisions of social welfare and the project of democratization of social power. On the one hand is the subject, a self-entrepreneur who is constantly self-exploited by neoliberal rationality, and, on the other, the same subject sees his daily life mercantilism and his social rights removed from the agendas of political interests of the countries. But why is it interesting to neoliberalism that countries cut or reduce social security rights? The intention is that individuals work more and more and that states spend fewer resources on welfare benefits. All this is in the name of the interests of elites, the financial market, and corporate banks that undoubtedly operate this neoliberal rationality that acts privatizing, squealing rights, and seeking payment of debt.

#### 4. FINAL CONSIDERATIONS

It is undeniable that neoliberalism, driven by globalization, was able to instrumentalize and dismantle the premises of the State and its modern formation, besides transforming the subject into a free and completely unprotected individual of capital. Among neoliberal rise, state crisis, and erosion of its social function, the result is a context in which private powers increasingly dominate the public sphere of countries.

In this sense, with states completely involved with neoliberal scientist discourse and with a certain illusion of economic growth, austerity measures have been recurrent in countries, mainly through reforms, such as social security. It occurs that, as analyzed during the text, there are several losses to the population of the countries that, excluded from the economic elites, remain destitute of state protection.

It is not only a question of identifying rationality that operates constantly and in a ubiquitous way, but of verifying how much societies are increasingly immersed in this perspective. There is a significantly broad set of deregulations, reform, and underwriting of rights, affecting the lives of individuals vulnerable to the power of large corporations, banks, and the financial system, acting on behalf of their purely economic interests. Thus, the research hypothesis is corroborated, to the extent that the neoliberal influence on policies such as social security reform can be verified by the interest of these powers in eliminating social security and promoting the saving of the State, by sequestration of political power, through the illusory construction of economic growth.

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