Expropriation of Rights, Dependent Capitalism and Transfer of Income: Reflections on the Effects of the Covid-19 Pandemic

By Ana Paula Ornellas Mauriel

State University of Campinas

Abstract- The text focuses on taking stock of income transfer programs in Brazil in order to bring subsidies to analyze these initiatives during the COVID-19 pandemic. The result of a bibliographical review and documentary research, the article points out that monetary aid was the main form of protection against pauperization in the capitalist periphery during the health crisis, but ensuring the maintenance of the neoliberal fiscal and economic austerity agenda. The conclusions show that income transfer programs in dependent countries, where the relationship between expropriation and overexploitation prevails, were enlarged with the COVID-19 pandemic, thus helping to ensure the expanded reproduction of dependency conditions by maintaining the stagnant relative overpopulation in informality and precarious work that increased during the health crisis.

Keywords: transfer of income, expropriation, dependent capitalism, covid-19 pandemic, neoliberalism.

GJHSS-E Classification: LCC: HC79.I5

© 2023. Ana Paula Ornellas Mauriel. This research/review article is distributed under the terms of the Attribution-NonCommercial-NoDerivatives 4.0 International (CC BY-NC-ND 4.0). You must give appropriate credit to authors and reference this article if parts of the article are reproduced in any manner. Applicable licensing terms are at https://creativecommons.org/licenses/by-nc-nd/4.0/.
Expropriation of Rights, Dependent Capitalism and Transfer of Income: Reflections on the Effects of the Covid-19 Pandemic*

Ana Paula Ornellas Mauriel

Abstract: The text focuses on taking stock of income transfer programs in Brazil in order to bring subsidies to analyze these initiatives during the COVID-19 pandemic. The result of a bibliographical review and documentary research, the article points out that monetary aid was the main form of protection against pauperization in the capitalist periphery during the health crisis, but ensuring the maintenance of the neoliberal fiscal and economic austerity agenda. The conclusions show that income transfer programs in dependent countries, where the relationship between expropriation and overexploitation prevails, were enlarged with the COVID-19 pandemic, thus helping to ensure the expanded reproduction of dependency conditions by maintaining the stagnant relative overpopulation in informality and precarious work that increased during the health crisis.

Keywords: transfer of income, expropriation, dependent capitalism, covid-19 pandemic, neoliberalism.

I. Introduction

With the arrival of the pandemic, the debates on minimum income, basic income, income transfer, among other variations gained breadth, especially regarding the relationship between social protection and coping with poverty.

The way in which social assistance has been carried out in the pandemic is connected to the neoliberal project that has been underway for decades, radicalized from the crisis of 2008, but now adapted to the management of the health and economic crisis. That is, the way of being social assistance under neoliberalism, in which the transfer of income as poverty alleviation has gained centrality, seems to maintain its essential content: if on the one hand they momentarily reduce the needs of the most impoverished segments of the working population, on the other hand it is linked to the processes of precarious work and expropriation of rights, guaranteeing the maintenance of fiscal adjustments and the remuneration of financial capital.

Based on the conditions that are placed in this nefarious framework that is presented with the pandemic, we will present some reflections on the so-called income transfer programs in countries of dependent economy, where the relationship between expropriation and overexploitation prevails, situated under the expanded reproduction of dependence under neoliberalism, exponential with the COVID-19 pandemic.

II. Expropriations of Rights, Crisis and the Guarantee of “Basic Capital Income”

The imperialist capitalist order and the pattern of contemporary accumulation, since the crisis of the 1970, brought as a solution measures materialized by neoliberal policies and adjustments, which promoted three major processes of liberalization, deregulation and privatization, whose combined effects had the objective of creating and deepening spaces of valorization for a mass of super accumulated capital that had been produced in excess, corroborating what Chesnais (2005) classified as the globalization of capital.

According to Gouvea (2011), neoliberal measures to respond to the crisis imposed on the economic, political, ideological and military levels a new pattern of accumulation, where financialization acquires a new relevance, having in increasing the proportion of fictitious and speculative capital on an unprecedented scale, the particular feature of this period.

Vieira (2020), in Marx’s trail, elucidates that fictitious capital, as an expression of the appropriation relations, and that presupposes for its existence the capitalist relations of production from where the most value is extracted, being a complexation and a dialectical unfolding of capital that holds interest, “by forging new capital to be put on the market (albeit under apparently fragile bases) it intensifies the rotation of capital” (p. 147), accelerating the appropriation relations distancing itself from production. Such conditions intensify the tendency to crisis, as fictitious capital tends to dissociate itself more and more quickly from the amount of available capital and encounter difficulties of accomplishment.

* The work is part of the result of research in progress that deals with the Social Assistance Policy in Brazil and the translation of this article was carried out with the support of Carlos Chagas Filho Foundation for Research Support of State of Rio de Janeiro (FAPERJ)

† Expression inspired by Leda Paulani (2008), who used “minimum capital income”.

Author: Ph.D in Social Sciences – State University of Campinas; Associate Professor at Fluminense Federal University. e-mail: apmauriel@gmail.com
Among the conditions of remuneration of fictitious capital is the creation of new spaces of commodification through expropriations, because as the fictitious capital is formed by masses of capital increasingly concentrated in search of spaces of valorization, they move quickly “opening new frontiers for accumulation (sky, earth, natural resources, isolated regions); destroying masses of accumulated capital considered obsolete; capturing social relationships” (VIEIRA, 2020, page 149).

The crisis that manifested in 2007/2008 has its foreword with the bursting of the speculative bubble of the stocks of high-tech companies, the so-called dot com, at the turn of the 21st century. This fact forced a large accumulated mass of fictitious capital, which survived at that time that localized crisis, to seek new niches of valuation, which were redirected to the real estate financing market, especially the North American (CARCANHOLO, 2018).

The fall in property prices from 2006 has dragged several banks into an insolvency situation (where more than one can afford), having a strong impact on stock exchanges around the world, unfolding in a crisis of international financial markets and, soon after the whole world economy, due to the expansion of financial derivatives created on the basis of these markets, as soon as the crisis erupted, it spread to all levels of the financial market (CARCANHOLO, 2018).

The effect of the 2007/2008 crisis on dependent and peripheral economies, including Brazil, was the deepening of dependence. Osorio (2015), explaining the role of Latin America in the current world circuit of capital appreciation, considers that a new phase of “original accumulation” has been taking place, in which millions of workers of the workforce have been expropriated from their means of life, either by the loss of state-owned means of production.

In the current phase of reproduction of globalized capital, new forms of dependence are created, with privileged space nuclei of accumulation in front of several territories where the accumulation predominates, in a kind of “deterioralization” of the capital cycle and “relocation” of capital flows, but duly conducted by the national states.

The existence of large regions – the peripheral ones – where capital can remunerate workers below the value of the labor force, is one of the factors that favors the current segmentation of productive processes and imperialist investments, which seek to take advantage of low wages and low values of raw materials (OSORIO, 2014, page 171).

These factors add to the neoliberal adjustments made in dependent economies, characterized by national structural reforms ideologically linked to the Washington Consensus, which basically advocated commercial opening, deregulation of markets, privatization of state and public services, elimination of most subsidies, as a way of liberalizing prices, and the internal and external financial liberalization, which would form a type of economic policy capable of ensuring the insertion of peripheral countries in the new process of globalization (AMARAL, 2005). It can be seen that the implementation of neoliberal policies deepened dependence, which can be understood as the result of a conformation between the interests of the ruling class of the countries of the region and the political-ideological imperatives of the center of the world economy.

Particularly in dependent economies, this movement of recent integration into the world economy is part of a project to restore power to the ruling classes in the neoliberal context, as Harvey (2008) warns, considering that there has been a reconfiguration of the ruling classes, an intra-bourgeois recomposition – a financialized rentier fraction of world reach with new structures in transnational trade relations – which will tension the state toward an increase in its coercive (violent) dimension, as a corresponding increase in the demand for the formation of consensus to carry out the counter reforms necessary to socialize the costs of the crisis.

These neoliberal policies implied expropriations of public and common goods, with the sale of profitable companies at low prices with conditions beneficial to private capital and, in many cases, foreign, in addition to the dismantling of social benefits of various kinds, which for Osorio (2015, p.38) means a “brutal expropriation of real wages for millions of workers.”

An unfolding of these processes, there is an extraordinary increase in the available workforce, accelerating the increase in relative overpopulation, favoring the fall of wages, the reduction of social policies, public services and social benefits, associated with structural precariousness of work. In dependent economies, these processes are associated with the conditions of overexploitation, that is, the prolongation of the working day, the intensification of work and the payment of the workforce below its value or expropriation of part of the worker’s labor required to restore his/her workforce (Marini [1973] 2011). For Marini ([1973] 2011), the overexploitation of the labor force corresponds to a situation in which the worker is remunerated below his or her value systematically, even outside of crisis situations2, that is, due to the need for systematic value transfers to the imperialist countries in dependent economies, despite the fact that the working class is subjected daily to the day prolongation and the

2 It is worth noting that the use of overexploitation appears in regions of the central countries in times of crisis and in the most precarious sectors of these economies, usually filled with segments of the working class composed of black men and women, and immigrant population groups, confirming that the value of the workforce of this population is paid below even outside their respective countries. See studies of VALENCIA, Adrian Sotelo. The structuring of the world of work. Overexploitation and new paradigms of work organization. Uberlândia: EDUFU, 2009.
increase in the intensity of its work, the same does not receive a salary adjustment that compensates for this wear.

In this sense, we corroborate with Gouvea (2020) for whom neoliberalism is not a circumstantial phenomenon, but is constituted as a way of being of the imperialist capitalist accumulation that began as a response to the crisis of the 1970, and extends to the present day, based on three axes of measures in the sense of flexibilization of relations and organization of production, the use of fictitious capital as a central element of accumulation and deepening of expropriations and commodification in all dimensions of life reproduction (GOUVEA, 2020, page 24).

All these conditions imposed new roles for the national states, which become mediators of valorization of large masses of capital (BEHRING, 2012; IASI, 2018). This does not mean that the State ceases to perform old economic functions already classically organized since the beginning of the prevalence of monopoly capital. But it assumes that the redirection of the State role before the needs of financial capital and the parasitic character of imperialist capital implies a singular appropriation of socially produced wealth "where all the productive effort of the labor force is dilapidated to guarantee the conditions of predatory profitability of monopolized capital, the health of financial capital and the well-being of the flow of capital to private concentration" (IASI, 2018, p.148).

But since the part of the social wealth that is in the form of a public fund is operated by the bourgeois state, in addition to a need for a profound change in the way of being of social policies and services so that, amid this dynamic, they function as central mediations of social wealth transfers to capital (GRANEMANN, 2012), highlights the place that the public fund occupies in the current dynamics of accumulation.

As capitalism presupposes crises as part of its tendency to increase productivity and change in the capital organic composition, the public fund is also biased toward giving more and more material support to the capital expanded reproduction, reducing its participation in the workforce reproduction (BEHRING, 2012). Hence, at the heart of the imperialist system lies the dispute mechanisms for draining the wealth of dependent economies in financial form. The main mechanism has been public debt (BEHRING, 2012).

This implies understanding that the expanded reproduction of capital in the contemporary phase, besides accumulating more in means of production than in labor force, configuring what Marx already signaled as a tendency to increase organic composition, it leads the hyper-concentrated and monopolized capital to seek in the credit system (in the capital bearing interest and fictitious capital) one of the forms of countertendency to the fall of the profit rate. However, by compensating with interest rates what the capitalists cannot accomplish in production, such a way of facing the crisis prepares (or postures) increasingly serious crises, because due to the increase in fictitious capital, interest rates are distancing from what is produced in the productive sphere.

However, this generates at the same time a need to reorganize the productive sphere in order to pay these capital. That is, "the intensification of financial flows and the recurrent profitability of it does not have a mere quantitative dimension. It is also a qualitative change in view that it causes pressure by the expansion of the extraction bases of surplus-value" (BRETTAS, 2017, page 63). This dynamic ends up being strengthened by fiscal adjustment and by increasingly acute counter-reforms.

Starting from the understanding that expropriations are a permanent and growing demand for the self-expansion of capital and not just a moment of original accumulation, we assume that the engine of accumulation is the dialectical relationship between expropriation and exploitation. However, expropriations are deepened at certain moments of reorganization of economic and social reproduction, in the face of crises and the need for recomposition of profit rates, when “new modalities are necessary for the withdrawal of the means of guarantee of the workforce other than the

---

3 The public fund is formed from taxes, social contributions and rates appropriate by the State via the tax system, which are required to act in the workforce reproduction, via services and social policies. The constitution of the public fund is not separated from the regressive character of tax collection in capitalist society, and one of the hallmarks of the contemporary tax system is the increase in a collection based increasingly on indirect taxes, which fall back on the consumer goods necessary for the reproduction of the labor force. (BEHRING, 2012)

4 It is understood that the crisis is inherent in the movement of capital itself and derives from its contradictory structure, which includes its laws of tendency and the essential counteracting factors, but not decisive in the sense of elaborating a prognosis or empirical falsifications (GRESPAN, 2012). For a debate about the causes, content and form of the contemporary crisis see CARCANHOLO, Marcelo Dias. Content and current form of the crisis of capitalism: logic, contradictions and possibilities. Crítica e Sociedade: journal of political culture. v.1, n.3, Special Edition - Dossier: The current crisis of capitalism, dec. 2011.

5 According to Behring (2012), the assumption of this movement is based on the intention to accelerate the rotation time of capital by mobilizing huge amounts of resources.

6 Marx points out in chapter 27 of Book III, where it deals with the role of credit in capitalist production, that capitalism has the “need for credit to make the compensation of the rate of profit or the movement of this equalization, on which all capitalist production rests” (page 493); and it also shows that credit, in addition to accelerating the process of capital reproduction, also allows “a longer separation of acts of purchase and sale, serves as the basis for speculation” (p. 494). However, by accelerating the development of productive forces worldwide, credit accelerates the antagonistic character of capitalist production, and “at the same time accelerates the violent eruptions of this contradiction, the crises” (page 499).
social relationship of purchase and sale” (RABELO, 2018, page 101).

In view of this, one of the contemporary forms of expropriation that has been gaining prominence is precisely the contractual expropriation (FONTES, 2010), the one that occurs by the removal or dismantling of social and labor rights, a modality that modifies the legal bond between large masses of workers and capital, particularly through regressive and repressive public policies, creating new conditions for extraction of overwork from the withdrawal of protective bulkheads that, for the most part, were conquests uprooted by the struggles of the workers throughout capitalism itself.

Boschetti (2018) in her studies has pointed out that expropriation is a social process that has been restricting the participation of the social state in the socialization of the labor force reproduction costs and that, therefore, contributes to the expansion of capital. To defend this thesis she starts from some assertions. The first is the understanding of the notion of Social State, which is perceived under class struggles, if on the one hand it is not perceived as an exclusive instrument of the bourgeoisie, denying the role of workers’ struggles for social rights, on the other hand, it does not deny its class character by understanding it as an important anti-crisis strategy, with a decisive role in the expanded reproduction of capital from the 1940 onwards.

In view of this, Boschetti (2018) points to changes in the role of the Social State from the capital crisis of the 1970’s, when class disputes around surplus value become explosive and the destruction of rights becomes necessary to restore conditions for maintaining profit rates. Since then the expropriation of portions of the public fund is reduced and the participation of the Social State in the reproduction of the workforce and their families has been decreasing in various policies and services, previously accessed by the workers, which impels them to submit to the most barbaric forms of exploitation.

For Boschetti and Teixeira (2019) these mechanisms of expropriation of the public fund are only possible through a “interdependent dialectic between the expropriations of rights and public debt” (page 81), through various devices such as the commitment of governments to the payment of interest and debt amortizations, untying of social budget revenues to financial surpluses, regressive tax system, counter reforms in social policies, among others, setting up a permanent fiscal adjustment.

The expropriation of social rights here is understood as a process of subtracting historical conditions of reproduction of the labor force, mediated by the Social State, through the reappropriation by capital of part of the public fund previously intended to the rights conquered by the working class, through successive and overwhelming counter-reforms in social policies, which obliges the working class to offer its labor force on the market at any cost and to offer its labor force on the market at any cost and to submit to the most perverse and precarious labor relations, that exacerbate the extraction of absolute and relative surplus value (BOSCHETTI; TEIXEIRA, 2019, page 81).

The result of this process is the inflection of the logic of rights in actions directed to the market, with compensatory policies, fragmented, focused and increasingly privatized services aimed at meeting the most urgent effects of the crisis, managing absolute misery with scarce resources. But using means to, at all times, make these actions forms of valuation or reproduction of fictitious capital (IASI, 2018).

To the extent that services are privatized, the nominal wages of workers are reduced, because to the extent that policies, services and rights are being transformed into goods, such withdrawals will have an impact on the reduction of their incomes. In this sense that Mota and Tavares (2016) understand that the precariousness of work through the expropriations of rights can be considered as a process of devaluation of the labor force, since, for the authors, the restriction of public goods (health, pensions, services) that previously composed their basket of provisions for the reproduction of the worker’s life and his or her family life, provokes a reduction of the socially necessary work, because it restricts the patterns of their reproduction to the minimum, and reduces the quality of life by contributing to the non-replacement of psychophysical wear. That is, we can infer that a dialectic is configured between expropriation and overexploitation.

Taking the considerations of Luce (2013) and Osorio (2013), who follow Marini, state that overexploitation can be understood as a violation of the value of the labor force because it is consumed by capital beyond normal conditions, usurping the consumer fund and the worker's living fund in the day to day (considering the daily value of the workforce) and with the appropriation of future years of life and work of the worker (considering the living fund or the total value of the workforce).

The worker will thus become the only responsible for his or her reproduction, being the overexploitation mediated by the purchase of social services as commodities, when it is possible to access via the market, when not, the State needs to compensate for the expropriation of social protection using more precarious forms of composition of the workforce reproduction, more focused and with emergency character, as it has been shown the transfer of income in the current context (MOTA, 2018).

In Marx’s analysis of the value of the labor force there are two dimensions: the daily value, which considers average wear according to the historically determined average living conditions; and the total value, which means the worker’s total lifetime or the total of days when the owner of the labor force sells his or her goods in good condition, also considering the years of life in which he or she will not participate in production (retirement) (OSORIO, 2013).
III. Transfer of Income and Neoliberalism: Reflections under the Covid-19 Pandemic

The transfer of income has been a central element of social policy under neoliberalism, especially in countries with dependent economy, where it gained centrality status as a strategy to combat poverty. Income transfer programs have been created since the 1980’s in Latin America and intensified from the early 2000’s, in line with the guidelines of multilateral agencies, to address the most urgent impacts of the economic and social crisis and the effects of the first waves of neoliberal counter reforms experienced in the region.

This new set of programs is resuited to the new requirements of the reorganization processes in the field of production and financial globalization, being focused and aimed at extreme poverty, differing from the logic of complementarity that composed the experiences of minimum income in social protection schemes instituted by the Social State.

Pastorini and Martinez (2014) identify a centrality of minimum networks in social protection reforms in Latin America, where the experiences of income transfer are fundamental pieces, failing to have an emergency and temporary character and gaining ground as the main access to resources for the impoverished segments. For the authors, the minimum social care networks, focused on poverty, are being constituted on a process of reducing other structuring social policies, such as social security, health, education.

Starting from research on the experience of income transfer in both central and peripheral capitalism, Stein (2008) points out that it was from the 2000’s that the creation of income transfer programs and the reform of the existing ones in Latin America intensified, however, the unlike the central countries where such programs are complementary to insurances, here the transfer of income takes on a substitutive character.

Data from Lavinas (2014, p.18) show that between the end of the 1990’s and the end of the 2000’s, social spending as a proportion of GDP in Latin America increased by 6.6%, however, income transfer programs (contributory and non-contributory) absorbed 60% of this increase. Whereas public services such as health and housing grew less than 1% in the same period. Based on these and other budget data in the region, the author corroborates with the trend of centrality of income transfers in the processes of reconfiguration of social protection of Latin American countries, asserting that such programs do not ensure the coverage of all potential target audiences, given the limits of their focus, having an immediate impact only on the intensity of poverty, but without being an effective way out, nor being able to prevent it.

In Brazil, experience with income transfer programs at the national level began in the early 1990’s. It should be pointed out that on that occasion the country was experiencing a great recession and was in the Collor’s government, having already faced the failure of its first stabilization plan in 1990. This was the first attempt to introduce the neoliberal package of measures, by wage austerity, reduction of the public deficit through the state privatization, and its result caused a retraction of economic activity and stagnation, increasing unemployment and the impoverishment of the population, situation eventually led to the impeachment of Fernando Collor at the end of 1992 (MATTOSO, 2010).

Considering that the internal accumulation of capital in Brazilian dependent capitalism is founded under the overexploitation of the labor force, which has a regulatory role that lowers the general average of wages and reduces the structural capacity of consumption of the masses (MARINI, [1979], 2012), structural limits are interposed to social conquests regarding social protection and public services, as social rights form part of the basket of provisions that conform the value of the workforce, conquered by historical struggles of workers.

Such historical specificities of our social policy brought about, unlike other central social formations, to not have a structured social protection network to be dismantled when neoliberalism consolidated in Brazil to respond to the crisis, which initiates structural adjustments in the economy and counter reforms in social policies in the midst of a very initial and limited process of implementation of the legal achievements entered in the Charter of 1988 (BRETTAS, 2017).

The context in which the debate on minimum income begins to gain prominence in Brazil is precisely from the implementation of the Real Plan, which continued the neoliberal structural adjustments, but with important changes in the stabilization package, making the plan success in fighting inflation could leverage FHC’s candidacy and victory for the presidency in 1994.

In dialogue with the minimum income program of the then Senator Suplicy, the economist José Marcio Camargo collaborated to introduce the articulation of monetary transfer with education, starting to highlight the family and children. These changes influenced several municipal experiences that began to be implemented since 1995, when there was a major expansion of municipal programs and the creation of income transfer initiatives by Brazilian states. The first federal programs started in 1996, with the creation of the

8 With the approval of Bill number 80, of April 16th, 1991, authored by Senator Eduardo Suplicy, proposing the creation of the Minimum Income Guarantee Program (PGRM).
The cycle of expansion of the real resulted in high inventories of internal and external debts and its rollover resulted in a process of accelerated deterioration of public policies and services, subject to successive fiscal adjustments, with significant deterioration of national companies. During this period, the Brazilian productive park was deeply altered and retracted by the privatization policy of the state productive sector (mainly in steel, telecommunications and electricity), which changed the relationship between national capital, foreign capital and national productive sector (ANTUNES, 2005), causing changes in the reproduction of the cycle of Brazilian dependent capital and a deepening of dependence.

The trade opening and overvalued exchange regime also had adverse effects on the labor market structurally already based on the workforce overexploitation. The trade opening associated with the pressures of the exchange rate valorization led to greater competition in the world market and to sectors with higher productivity, implying the accentuation of value transfers, which led to a defensive productive restructuring, which in addition to the expansion of unemployment, led to the fall of formal jobs and deterioration of working conditions (MATTOSO, 2010).

For all in 2001 and 2002, under pressure from social movements and the deterioration of social conditions, the federal government tries to create new initiatives beyond the Solidarity Community and starts the Bolsa Escola [School Program] and the Bolsa Alimentação [Meal Allowance] Program, in addition to the expansion of BPC and PETI programs. However, with the successive fiscal adjustments, such policies did not succeed on the situation of the population impoverishment, leading to an even higher level of inequality than in the early 1990’s (MATTOSO, 2010).

According to Antunes (2005), although the first impulses of productive restructuring in Brazil have been present since the mid-1980’s, it was from the 1990’s, under the leadership of the neoliberal project, developed intensively through new organizational and technological standards and new forms of socio-technical organization of work, through processes of decentralization and productive relocation, establishment of new forms of subcontract and outsourcing of the workforce.

Brazil was integrated into financial globalization, expanding its indebtedness, adapting to external conditions and increasing its degree of dependence on external capital. The reconfiguration between the fractions of capital in the country, in which it transferred to financial capital the leadership of macroeconomic dynamics, accelerated the processes of concentration and centralization, the parasitic nature of which was accentuated with the maintenance of high interest rates and the formation of high primary surpluses, pressing the public budget, particularly social spending. (PAULANI, 2008)

It was before such a scenario that, in January 2003, Lula took office as president, maintaining and deepening the permanent fiscal adjustment, which in addition to the legacy of economic policy, maintained the same logic as regards social policy. The first expression of this legacy for social policy was the Fome Zero [Zero Hunger] Program, whose technical focus was to present itself as a food security policy, which involved more than 30 sub-programs, including the existing federal income transfers actions, especially the Bolsa-Escola [School Grant] and the Cartão Alimentação [Food Voucher] Program.

Faced with several weaknesses in the execution of Zero Hunger and the presence of several income transfer programs in the three levels of government, the Family Grant Program was created in 2003, unifying the targeted programs of pre-existing income transfer (Bolsa Escola [School Grant], Bolsa Alimentação [Food Grant], Auxílio Gás [Gas Voucher] and the Zero Hunger Program.

9 Provided for in the Organic Law of Social Assistance (LOAS n 8742, of December 7th, 1993, regulated by Decree n. 1744, of December 8th, 1995 and by Law n. 9720, of November 20th, 1998), this is a benefit of 1 minimum wage paid to people aged 65 years or older (according to the Elderly Statute) and persons with disabilities who have income per head up to ¼ minimum wage.

10 The Child Labour Eradication Program (PETI) integrates the National Social Assistance Policy and involves a set of measures to combat the labor exploitation of children and adolescents between 7 and 15 years old, among them the payment of a monetary support to families with income of up to ½ minimum wage per head.

11 Established by Decree number 1.366, of January 12th, 1995, it operated until December 2002, when it was replaced by the Zero Hunger Program.

12 On the occasion, a myriad of monetary transfers for various purposes were included, with emphasis on: Youth Agent Program of Social Human Development, which was next to the PESI and BPC under the management of the Ministry of Social Assistance; National Program of Minimum Income linked to Education – Bolsa Escola, under the management of the Ministry of Education (Law no. 10.219, of April 11th, 2001); The Ministry of Health Food Program (provisional measure no. 2.206-1, of September 6th, 2001); Gas Voucher, of the Ministry of Mines and Energy (Decree no. 4.102, of January 24th, 2002). (SILVA and SILVA; LIMA, 2016)
Feeding Card)\textsuperscript{13}, which enabled a reach of a potential target audience considered broad – in 2006, two years after its implementation, it already covered 11.2 million families.(SILVA and SILVA; LIMA 2016)

The context of the creation of the Bolsa Família Program incorporates adjustments in the neoliberal project, which, in order to contain the most perverse impacts of its counter-reforms, while responding to the pressures of the management of the capital crisis, it carries out a shift in its guidelines to incorporate more focused measures to combat poverty as anticyclical policies (Minha Casa Minha Vida [My House, My Life], PAC, PROUNI, FIES), which occurred in Brazil simultaneously with the readjustment of the minimum wage and measures to promote employment, maintaining the hard core of macroeconomic policy and fiscal adjustment (RODRIGUES, 2016).

From the Bolsa Família [Family Grant], the growth of income transfer in social assistance policy occurs simultaneously with the expansion of social assistance itself and the advancement of the commodification and privatization of health and pension policies, restricting access to their respective services and benefits (MOTA, 2009).

Even though the gains from their consubstantiation in SUAS, the trends presented in social assistance show a contradictory process that, at the same time, points to the guarantee of rights to the whole population by the notion of social security, it presents neo-conservative tendencies that limit its own structure as a protection policy – centrality of income transfer, focus of extreme poverty alleviation, parallelisms, while experiencing the old assistentialist and clientelist dilemmas that are still present.

That is, we have a hegemonic tendency to a social policy that is assisted and focused on the transfer of income that articulates to the processes of flexibilization and precarious work to mitigate the crisis effects. Since its expansion lives with the withdrawal of social and labor rights, health and social security, besides unprotected workers, by informality, a significant proportion of unemployed people, as a result of the intensification of the crisis, is forming as a potential target audience of social assistance.

For those who fit in the focused profile and can have access to aid, whatever the position of the beneficiary worker, he or she remains precarious. The average value of the benefit received per family in 2014 was R$167.00. Even considering that the weight of income transfers has increased in the composition of income per head over the 2000 (POCHMANN, 2013, page 151) or that beneficiary families may have had access to the consumption of durable goods (cell phone, stove, TV) (SITCOVSKY, 2009), it is estimated that 87% of the resources of income transfers were used by families to buy food (KERSTENETZKY, 2009, page 7). And there is also the downward trend of its financing, because as the main resource source of social assistance is the contribution to Social Security Financing (COFINS), which focuses on the gross income of companies, these pass this tax cost to the consumers themselves (and here in the case the beneficiaries of the programs) that end up paying for the tribute (COURI; SALVADOR, 2017).

From the crisis of 2007/2008, that favorable international environment with low interest rates, which was evidenced between 2001 and 2007, which allowed increased state reserves and collection ended, taking with it the few leeway margins that allowed the implementation of social policies, although punctual and focused that minimized the most acute effects of labor overexploitation and absolute misery and promoted improvements in income redistribution by the base.

These trends that have been placed on the periphery gain greater depth and density in the Brazilian reality with the signs of exhaustion of the class conciliation strategy, administered by the PT governments, whose actions managed to circumvent the immediate impacts of the 2008 crisis, with an aggressive strategy of credit expansion and consumption facilitation\textsuperscript{14}, which ensured the completion of Lula’s government guaranteeing Dilma’s victory as her successor, until 2013 when the June demonstrations broke out.

With the outcome given from the 2016 coup, a new phase of neoliberalism in Brazil begins, whose more acute counter-revolutionary measures deepen the definancing, while increasing ultrafocalism, welfare and conservatism in social assistance. And, since Michel Temer took over the presidency, a series of rights have been under threat, while advancing ultra-liberal projects. In addition to the powerful attack carried out with Constitutional Amendment 95 (of December 15\textsuperscript{th}, 2016) – the SGP of the spending ceiling, which created a new tax regime (which froze primary expenses for 20 years), Michel Temer carried out the labor counter-reform and approved the Law of Outsourcing\textsuperscript{15}.

\textsuperscript{13} Established by Provisional Measure number 132, of October 20\textsuperscript{th}, 2003, later converted into Federal Law number 10.836, of January 9\textsuperscript{th}, 2004, unified and expanded the previously existing income transfer programs: National Program of Minimum Income Linked to Education – Bolsa Escola; Federal Government's Single Registration (Decree no. 3.877, of July 24th, 2001); National Program of Minimum Income Linked to Health - Bolsa Alimentação; Auxílio Gás Program; National Food Access Program – Zero Hunger (Law no. 10.689, of June 13th, 2003).

\textsuperscript{14} “The government tried to contain the inflows of the crisis, with tax exemption from some sectors; expansion of the credit to finance the consumption of families and thereby secure a market for the production it sought to be maintained. It was a timid anti-cyclical economic policy, not orthodox, but still within the same neoliberal development strategy” (CARCANHOLO, 2018, page 37)

\textsuperscript{15} Labor Reform (Law n. 13.467/2017) and Outsourcing Law (Law n. 13.429/2017).
For social assistance, the tendency to definance was deepened, both in terms of cutting social benefits and in reducing social assistance services. Salvador (2018) shows that between 2016 and 2018 there was a cancellation of social benefits that amount to 10 billion reais (among them are the Bolsa Família [Family Grant], auxílio doença [sickness support] and auxílio por invalidez [disability support]). With this, 5.7 million people lost benefits (out of these 5.2 million people lost the Bolsa Família). Data from Boschetti and Teixeira (2019) indicate that, within the scope of the Ministry of Social and Agrarian Development (MDSA), since 2015, there has been a reduction of resources aimed at the “Bolsa Família Program”. Between 2014 and 2017, this reduction reached 14.4%. As for social assistance services, the values transferred to the services decreased by 38.6%, with a drop from R$ 2.6 billion in 2012 to R$ 1.6 billion in 2018. (BOSCHETTI; TEIXEIRA, 2019).

Regarding the work precariousness, Silveira Junior (2019) helps us illustrate the situation by showing that recently there was an important recomposition of the relative overpopulation, in order to leverage the rates of surplus value, both from an exponential rise in unemployment and informality. According to the author, the average annual unemployment rate doubled in Brazil in 2017 (12.7%), compared to 2014 (6.8%) - according to continuous PNAD - which indicates that there are 13.2 million people without employment, a 96.2% jump since 2014. In addition, a loss of jobs with a signed portfolio (and guarantees) is added and the increase in new occupations was absorbed mainly by sectors traditionally characterized by informality, where low wages and precarious and unstable conditions prevail (self-employment, auxiliary family work, and in the private sector without a carteira de trabalho [employment record card]).

This was the preparatory ground for Bolsonaro’s government. Fueled by the 2016 coup, the advance of the far right wing, commanded by the bourgeoisie and parts of the middle class led to the election in 2018 of an ultranoeoliberal government in the economy, conservative and reactionary in the social, in values and customs and increasingly authoritarian in politics and in the pursuit of social struggles, with an even more accelerated advance of the offensive against social rights.

Even the income transfer, focused and minimalist, underwent cuts: in the Bolsa Família Program, about 1.1 million families were disconnected from the program between May 2019 and January 2020, outside the expected waiting queue that already had approximately 1.7 million families (SILVA, 2020). An even harder blow against work came with the new pension reform (Constitutional Amendment 06/2019), which provided for the working class to work longer, further usurping the workers’ living fund.

The World Health Organization declared on March 11th, 2020 that the proliferation of the new coronavirus was a pandemic. At that time, 118 thousand cases were already registered in 114 countries, with 4291 deaths due to the disease (MOREIRA et al., 2020, page 7).

The outbreak of the pandemic and the unprecedented global health crisis came in addition to the economic crisis that brought consequences of the crisis started in 2007/2008, associated with neoliberal deepening, since the economy has since been showing insufficient profitability rates, low productivity growth and little dynamism in investments, reverberating in finance, which expressed lower profitability compared to the immediately preceding period. (LAPAVITSAS, 2020)

With the beginning of the pandemic and the violent fall in stock exchanges worldwide, in March 2020, the scenario became worse due to the interruption of circulation and productive processes, in view of social distancing measures enacted in several countries, as a measure of containment to the pandemic, associated with the increase of geopolitical tensions, mainly between the US and China, which continue to dispute hegemony in the technological, commercial and financial field. As a direct consequence of the reduction of production and drop in demand, along with the uncertainty in this pandemic situation, unemployment has increased and the most devastating repercussions occur for the segments most precarious by neoliberal policies in recent decades: informal, autonomous, intermittent, underutilized, outsourced workers, that is, precisely those who do not have social protection guaranteed by the State and only receive some remuneration when they work (ANTUNES, 2020).

This has stripped the capitalist destructiveness, because it shows the limits of the irrational management of capitalism on economy, society and nature, whose consequences have left hundreds of thousands dead. From the beginning of the pandemic until December 2022, it registered 693,853 deaths, out of a total of 36,331,281 accumulated cases (DATASUS).

Although we consider the severity and depth of the crisis in the face of the pandemic, it is worth ‘emphasizing that COVID-19 itself is not an ‘external agent’ and that it would not exist and/or would not have the same consequences outside the capitalist system” (GOUEVA, 2020, page 21). Scientists studying the new epidemics (SARS – Acute Respiratory Syndrome, Ebola, the various types of influenzae, among other pathogens) point to their relationship with capitalist economic development and show that they started in regions of accelerated urbanization and industrialization.

In this sense, coping with the disease was also organically linked to capitalist reproduction, which is experiencing a moment of reconfiguration and radicalization of neoliberalism. Therefore, among the most serious results of the pandemic are the negative effects of social isolation and definance that recently there has been a reduction of resources aimed at the “Bolsa Família Program”. Between 2014 and 2017, this reduction reached 14.4%.
governments that, due to their ultraneoliberal fanaticism combined with a Malthusian vision or “social Darwinism” (as in the Brazilian case) (LEHER, 2020), they pressure workers and the overwhelmed to resume their activities with threats of deprivation that worsen with the health crisis.

In addition to the measures with which the various governments have acted around the world by creating measures to try to contain the pandemic, the new coronavirus has fundamentally affected dependent countries. In this sense, the potential for risk to contagion was not linked only to the epidemiological component (elderly, immunodepressed, cardiac, among others), as it was propagated at the beginning of the pandemic, but it proved that the risk factors for contagion had strong social components: pauperized, black men and women segments, mainly women, LGBT’s, immigrants, that make up the informal and precarious sectors of the labor market that did not interrupt the activities or were at the forefront of essential services.

In this sense, the COVID-19 pandemic has helped create conditions that have caused a profound damage to the conditions of existence of millions of families who already had very precarious livelihoods due to the neoliberal crises and counter reforms carried out in Latin America in recent decades. This is expressed in the high poverty rates in the region, where about 186 million Latin-Americans and the Caribbean live below the poverty line and 67.5 million are in poverty condition, in addition to the precarious access to basic resources for prevention of the pandemic: in 2018, only 65% of the Latin American and Caribbean population had access to drinking water and 22% to sanitation, and about 45% of the homes have precarious conditions, compromising social distancing as a preventive measure (FURLONG, 2020).

The first COVID-19 case in Latin America and the Caribbean was registered in Brazil on February 26th, 2020, and from March 13th, the governments of the region began to announce measures of social protection and combating the health crisis in the face of the sudden fall in incomes.

According to data carried out by ECLAC (2020), among the main measures taken for social protection in the face of the COVID-19 pandemic, the actions linked to the income transfer programs (creation of new programs, in addition to the extension of existing ones, with actions to anticipate installments, expansion of values and coverage, including people in poverty and informal workers) adding 49% of government actions in the region; followed by transfers in kind (food, medicine, masks, hygiene products) (33%) and measures to suspend basic services accounts (water, light, gas, telephone, internet, TV) (19%). (CEPAL, 2020, p. 8)

ECLAC data (2020) warn that the creation of new income transfer programs was the most used protection measure by governments in the region to address the impacts of the pandemic, covering 23 countries, among which is Brazil with the creation of Emergency Aid, followed by the increase in the value of existing transfers as the second most widely used measure, adopted by 11 countries in the region.

The Emergency Aid was regulated by Law n. 13982/2020, which provided for payment of aid worth R$600.00 for three months to workers over 18 years of age, without formal employment and without any other type of social protection (including individual micro-entrepreneurs), with income per head of up to ½ minimum wage (R$522.50) and not having received taxable income above R$28,559.70 in 2018 (ALVES; SIQUEIRA, 2020). Despite all the difficulties for access, and after the expansion of the R$200.00 reais tax received by the President were increased to the amount paid of R$600.00, 67.2 million people had the right of receipt approved, with an average benefit of R$901.00, which means to serve 43.9% of Brazilian households (PNAD-COVID-19), an exponential increase in demand expressing the reality of deep material precariousness in which the Brazilian working class was (and still is). The government announced the extension of the Emergency Aid, but now reduced to R$300.00, which will be paid in up to four installments that were paid by December 2020.16

Another highlight is that in early April 2020, 14 countries had implemented income transfers aimed at informal, self-employed or other self-employed workers (ECLAC, 2020, page10), showing an innovation in this form of protection focused on the region, failing to fix its target audience only in the poorest and disabled segments to increase its attention to other segments of precarious workers.

According to data from the World Bank (2020)17, more than 1 billion people have been assisted by assistance actions since the beginning of the pandemic in 200 countries/territories. Latin America has 71% of its social protection measures in the pandemic composed of social assistance actions (including income transfers), behind Africa and South Asia. Social assistance involves the majority of social protection actions in the face of the pandemic, and among the assistance actions prevail the transfer of income, which proved to be short-lived and with the values of benefits relatively higher than those paid regularly before the pandemic. Informal workers form one of the largest target audiences affected by the transfer of income during the pandemic.

16 The four installments will be received by those who received in April the 1st installment of the original benefit.
This trend can also be observed in the Brazilian case. Silva (2020), in recent studies, notes that emergency aid, presents variations in relation to the income transfer programs operationalized in Brazil so far, which in the opinion of the researcher relate to income per head, the value of the benefit, and the target audience. Based on the comparison of the respective benefits values between the Bolsa Familia Program and Emergency Aid, the access criteria and the profile of the target audience served by the two programs, the author asserts that there is a tendency to incorporate a large segment of workers resulting from recent expropriations, especially post-coup 2016, in addition to the segments of workers previously served.

The figures indicate that income transfers will expand and remain after the pandemic, due to the catastrophic economic and social framework that is being forecast for Latin America in the medium term. ECLAC (2020) estimates that by the end of 2020 income transfers in the region will reach 90.5 million families, which means 385 million people, corresponding to 58% of the Latin American population. Among the countries with the highest coverage is Brazil, however we must take into account that it is the Latin American country with the highest number of confirmed coronavirus cases, with the highest number of deaths and the highest in sub-notifications.

By observing the situation of the working class in Brazil at the end of 2020, we see that the unemployment rate reached 14.6%, which was more than 14 million people, the highest rate since 2012. If we add to the underutilization rate of the labor force - which considers the percentage of persons who are unemployed, underemployed by insufficient hours worked and who are in the potential workforce in relation to the increased workforce - the percentage of which is 30.3%, and the people considered discouraged – who are outside the labor market for not getting any occupation either because of lack of experience, age (very young or well above average), lack of vacancies in the locality where they live, but who make up the potential workforce – with a total of 5.7% or 5.9 million workers/as, we will see a situation of growing social misery that did not start with the pandemic. This without considering the percentage of people working on their own account in the country, which in the 3rd quarter of 2020 was 26.4%. However, the numbers of job precariousness above show only one side of that social tragedy that has deepened with the pandemic, because unemployment as well as the pandemic does not affect every working class as well: the rates of unemployment and underutilization in the northeast region are higher than in the south of the country; there is a difference in the rate of unemployment between men (12.8%) and women (16.8%); as for racial inequality, the percentage of the black population in the country (35.6%)

In Brazil, it is no different, at the same time as poverty reproduction and its criminalization processes are worsening. The forms of coping with the COVID-19 showed a strengthening of assistentialist and ultra-focused measures, associated with the easing of employment contracts, facilities for layoffs and revision of the hourly load, as well as measures to reduce wages, reinforcing the neoliberal project.

### IV. Conclusion

In addition to the difficulties associated with predicting the economic and social impacts of the pandemic in the country, a second difficulty realizing it was the political irresponsibility of the Bolsonaro’s government that came in addition to the reactionary agenda that was already under way, this reflected the expansion of the disease in the country.

In other words, the arrival of the pandemic in our Brazilian lands is under a catastrophic scenario for workers, due to successive counter-reforms carried out since the early 1990s, causing genuine desertification in social rights, even more fierce in the post-coup 2016, it adds to the denialist attitudes of the Bolsonaro’s Government to deal with the pandemic, which further deepens neoliberal measures, showing that “we are living in a crossfire of multiple reactionary agendas” (LOLE et al., 2020).

---

18 By October 10th, 2020, 5,082,637 confirmed cases of COVID-19 were confirmed in Brazil, accounting for 150,18 deaths. Data available at https://covid.saude.gov.br/ Access 10/10/2020.

19 All of this information is available at https://agenciadenoticias.ibge.gov.br/agencia-sala-de-imprensa/2013-agencia-de-noticias/releases/21959-pnad-continua-trimestral-desocupacao-cresce-em-10-das-27-ufnos-3-trimestre-de-2020#:~:text=No%203%C2%B0%20trimestre%20de%202020%2C%20a%20taxa%20de%20desemprego%20foi%20de%2030%20 C3%25, accessed on 12/21/2020.

20 Those who declared themselves black (19.1%) and brown (16.5%).

21 All of this information is available https://agenciadenoticias.ibge.gov.br/agencia-sala-de-imprensa/2013-agencia-de-noticias/releases/21959-pnad-continua-trimestral-desocupacao-cresce-em-10-das-27-ufnos-3-trimestre-de-2020#:~:text=No%203%C2%B0%20trimestre%20de%202020%2C%20a%20taxa%20de%20desemprego%20foi%20de%2030%20 C3%25, accessed on 12/21/2020.
It is worth pointing out that the force of false opposition between the economy and life that has separated strategies of confrontation between different governors and the federal government is directly related to precarious work and to the inequalities that already exist in the neoliberal context in which the pandemic manifests itself. Both workers who have suffered successive loss of rights, and the new “employees”, “partners”, “employers” who are already entering the labor market as Uberized, suffer from the helplessness and precariousness of neoliberalism, because as services are privatized, the nominal wages of workers are reduced, in view of the fact that policies, services and duties are being transformed into goods, such withdrawals will have an effect on the reduction of their income.

However, it seems that a new and tense relationship between social assistance and unprotected work is a focus of attention, since the State in order to maintain the conditions of overexploitation of the labor force needs to compensate for the expropriation of social protection by using more precarious forms, focused and emergency composition of the reproduction of workers, while facing increasing numbers of workers who demand more actions and public protection services that cannot be accessed by other policies in the face of loss of rights.

References Références Referencias


