

What if the State disappeared?

An analysis of health and education expenditures based on class, race, gender, and Federative Units in Brazil

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What would occur if the State were to vanish? An examination of health and education expenditures in Brazil, analyzed through the lenses of class, race, gender, and Federative Units(1).

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(1) This note is derived from the article “The Shrinking State: Exploring the Links Between Public Spending and Class, Race, and Gender Vulnerability in Brazil,” authored by Arthur Welle and Ana Luíza Matos de Oliveira, published in CEPAL Review (142, April 2024). It can be accessed at <https://repositorio.cepal.org/server/api/core/bitstreams/84ca5e13-1ede-4e5f-b557-0d08b3f207bb/content>.

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As highlighted by González (2020) and Carneiro (2011), race and gender remain fundamental to discussions of class in Brazil, where the public provision of goods and services remains precarious and has faced budget cuts since 2015. This note aims to understand the class, race, and gender profile of those who would be most affected if the Brazilian State ceased providing health and education services.

Following Silveira et al. (2021), the 2017–2018 Family Budget Survey is used to map the utilization of public services. The 2019 Continuous National Household Sample Survey (PNADC) and the 2019 National Health Survey (PNS) are also examined. Lastly, as in Nassif-Pires, Cardoso, and Oliveira (2021), this study reflects on the impact of public spending (or its absence) in Brazil on vulnerabilities related to class, race, and gender.

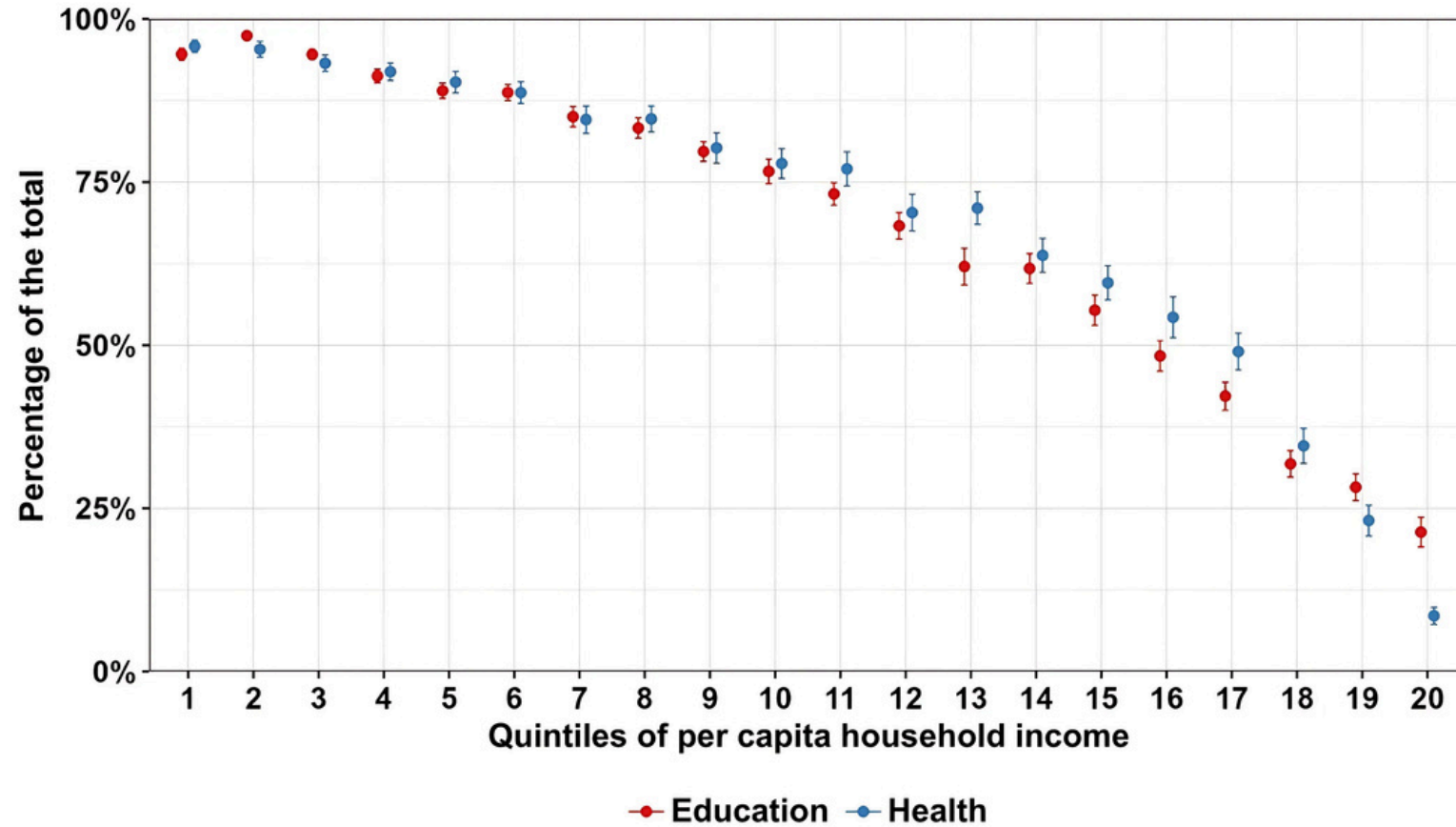
The data shows that eliminating public services (health and education) would plunge the poorest, Black, and female populations into severe financial hardship.

Analysis of User Profiles and Simulations of Health and Education Services

Brazil has a history of profound racial, gender, class, and regional inequalities expressed through the sexual and racial division of labor. Throughout history, the Brazilian State has both influenced and been influenced by these inequalities. In general, changes in the political system have always been controlled by dominant forces, blocking opportunities to implement deeper reforms to reduce disparities. However, Brazil adopted a Federal Constitution in 1988, nicknamed the "Citizen Constitution," for its pioneering guarantee of rights, particularly in health and education.

After this brief overview (expanded in Welle and Matos de Oliveira, 2024), we analyze the gender, race, and class profiles of public health and education service users in the country.

Figure 1 – Brazil: Proportion of public health and education usage by per capita household income quintile - 2019

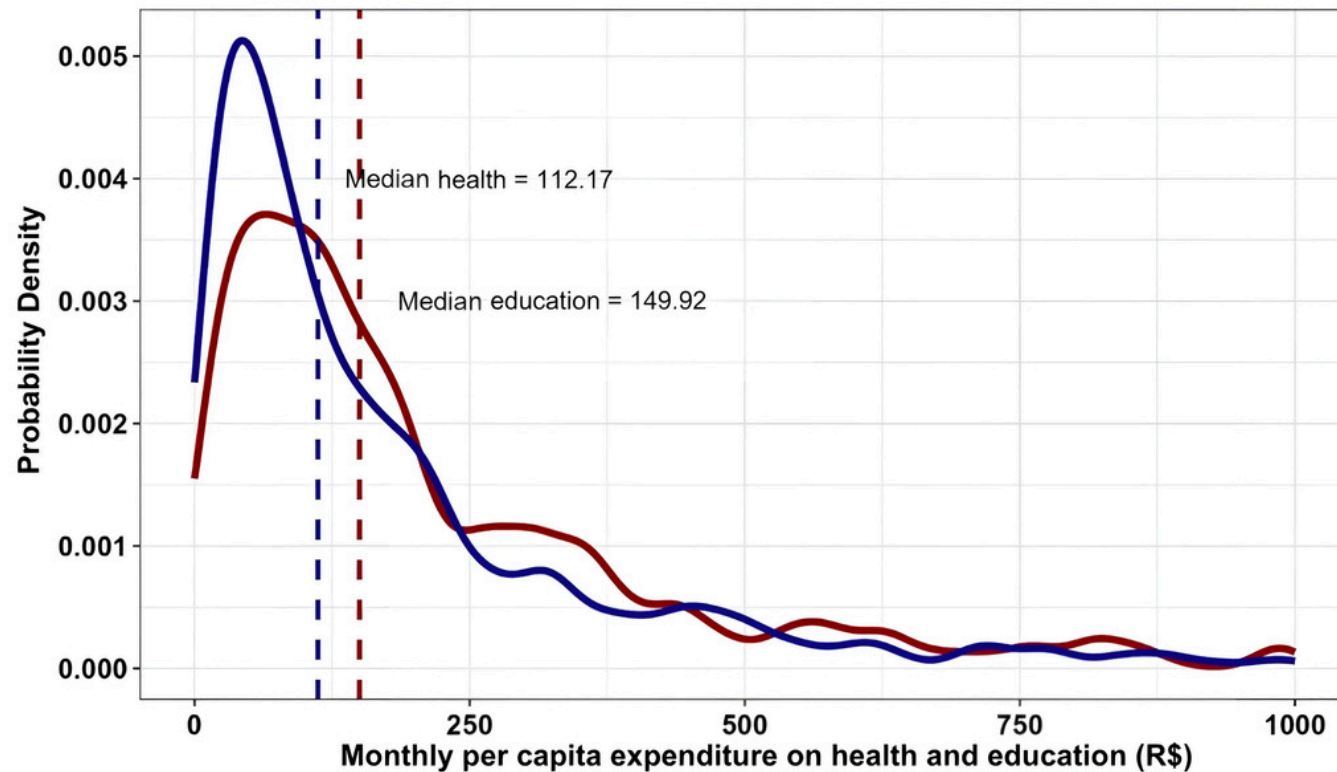


Prepared by the authors utilizing data from the Brazilian Institute of Geography and Statistics (IBGE), Annual Continuous National Household Sample Survey (2019), and National Health Survey (2019).

Figure 2 shows the distribution of monthly per capita health expenditures for those incurring such costs. The average health expenditure is R\$ 130.43. In education, the average expenditure is R\$ 166.68.

Figure 2 - Brazil: Distribution of monthly per capita household expenditures on health and education for private service users, 2017-2018

(Probability density and reais)

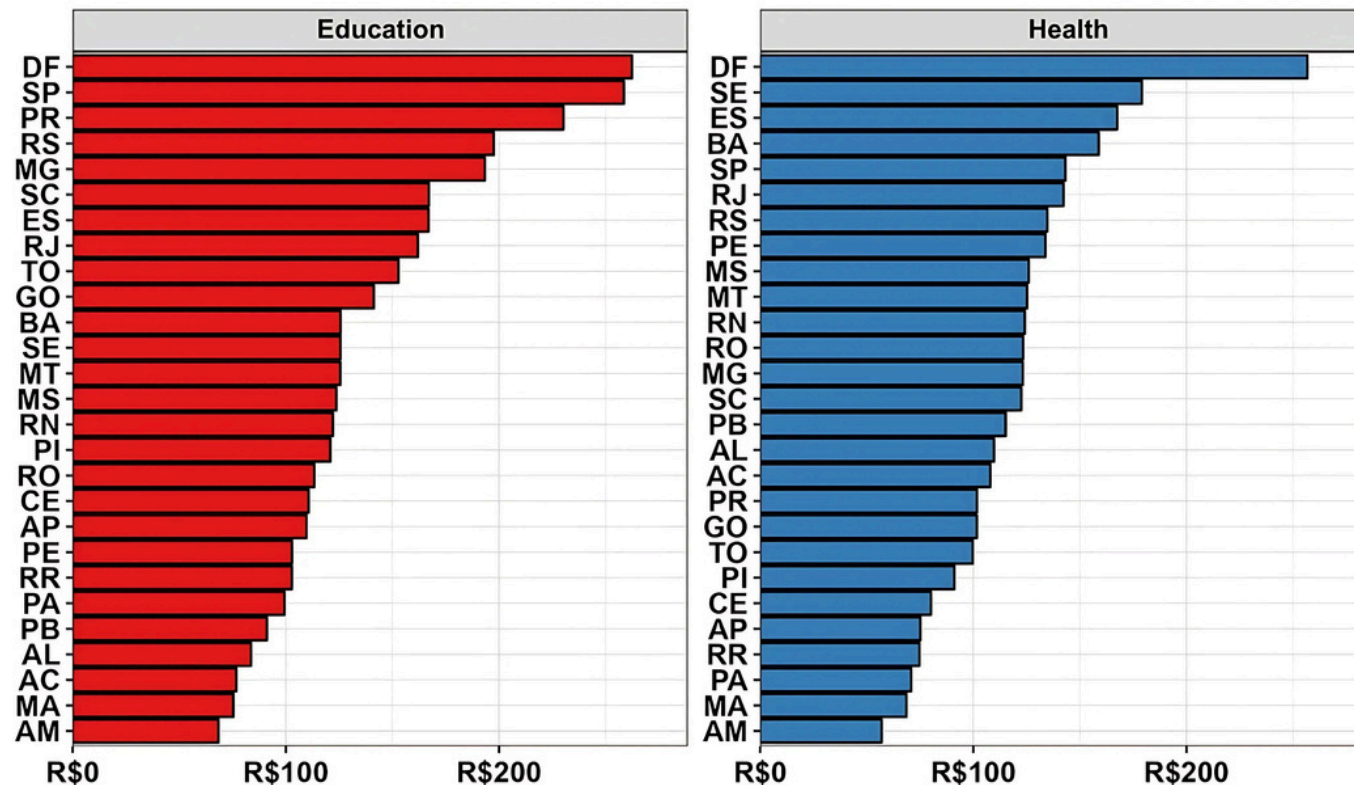


Source: Prepared by the authors based on IBGE's Family Budget Survey (2017-2018)

Contudo, para ilustrar quão diferentes são as realidades em todo o país, a figura 3 mostra como a mediana dos gastos com saúde e educação varia por Unidade da Federação. Por exemplo, o desembolso médio exigido no Distrito Federal para ter acesso a cuidados de saúde e educação privados é muito mais elevado do que no estado do Amazonas.

Figure 3 - Brazil: Average monthly per capita household expenditure on private health and education services, by Federative Unit, 2017-2018

(Reais)



Source: Prepared by the authors based on IBGE's Family Budget Survey (2017-2018).

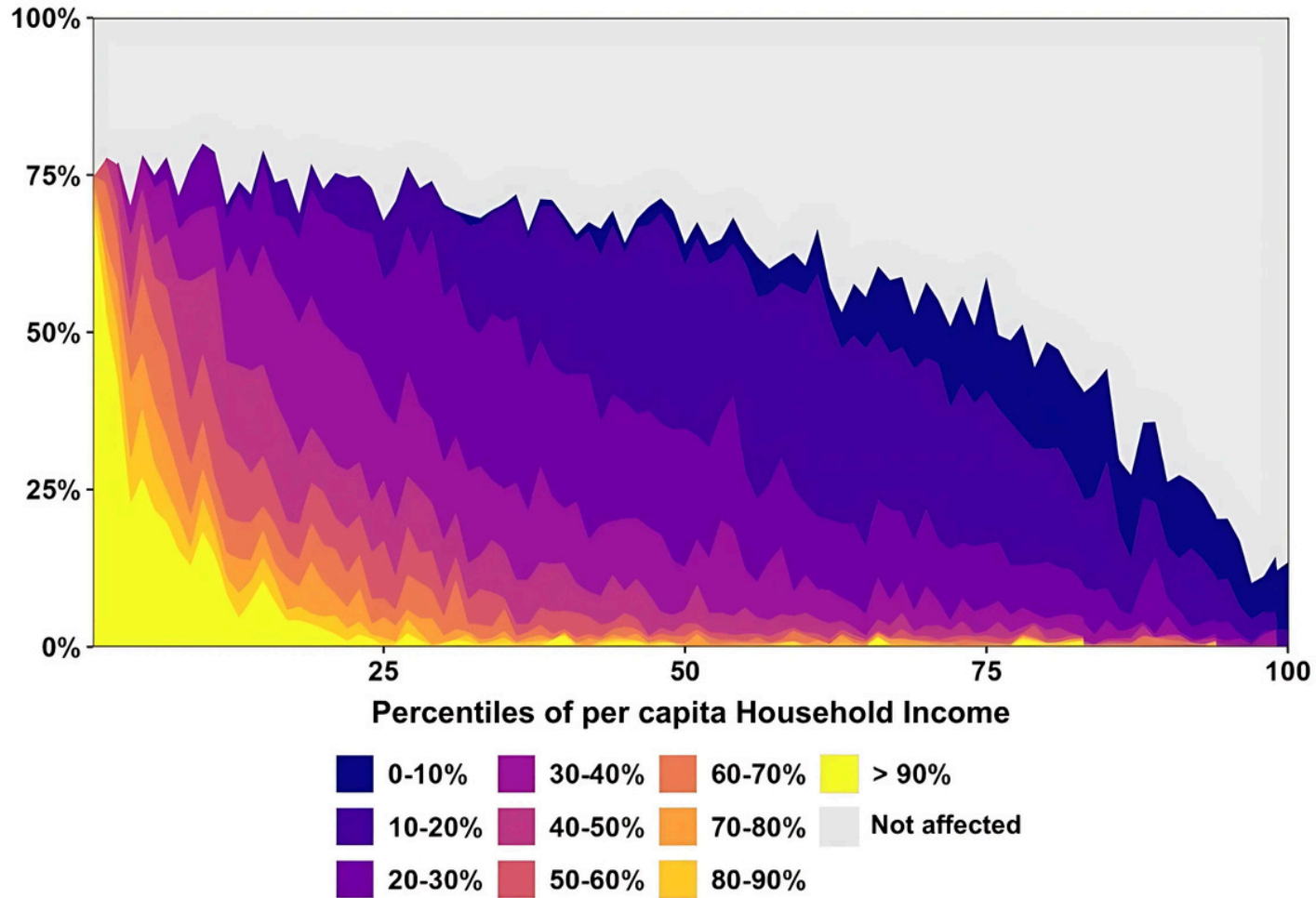
Moving to the effects of hypothetical cuts in public services expenditures, Figure 4 shows the additional household expenses required to pay for private health and education services. This exercise considers what would happen if families assumed the costs of health care and education, paying the median amount from Figure 3 for private service users. However, due to financial constraints, families might not access health or education services or might resort to more precarious solutions and may not incur the calculated additional expenses.

Despite inviting the reader to think in counterfactual terms ("What if...?"), this exercise aims only to emphasize the inequality in public service usage and the role these services currently play as non-monetary income. Several dynamic elements must be considered for a true analysis of a future scenario where public services cease to exist.

That said, Figure 4 shows that for 65.83% of individuals in the first income percentile, if public health and education services ceased to exist, expenses would increase by at least 90% of their current income. For 66.2% of individuals in the first income decile, cuts in public health and education services would lead to an increase of at least 50% in expenses relative to their current income.

Figure 4 - Brazil: Projected additional expenses for private education and health care in the absence of the State, as a share of income, by per capita household income percentile, 2017-2018

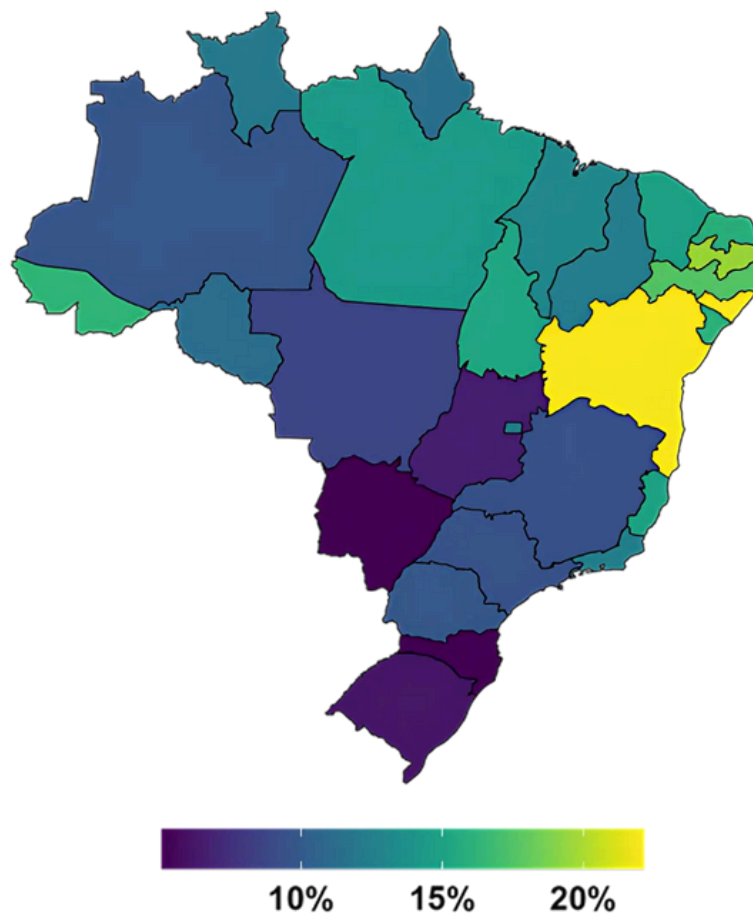
(Percentages)



Source: Prepared by the authors based on IBGE's Family Budget Survey (2017-2018).

Map 1 - Brazil: Population affected by a hypothetical absence of the State, by Federative Unit, 2017-2018

(Percentages)

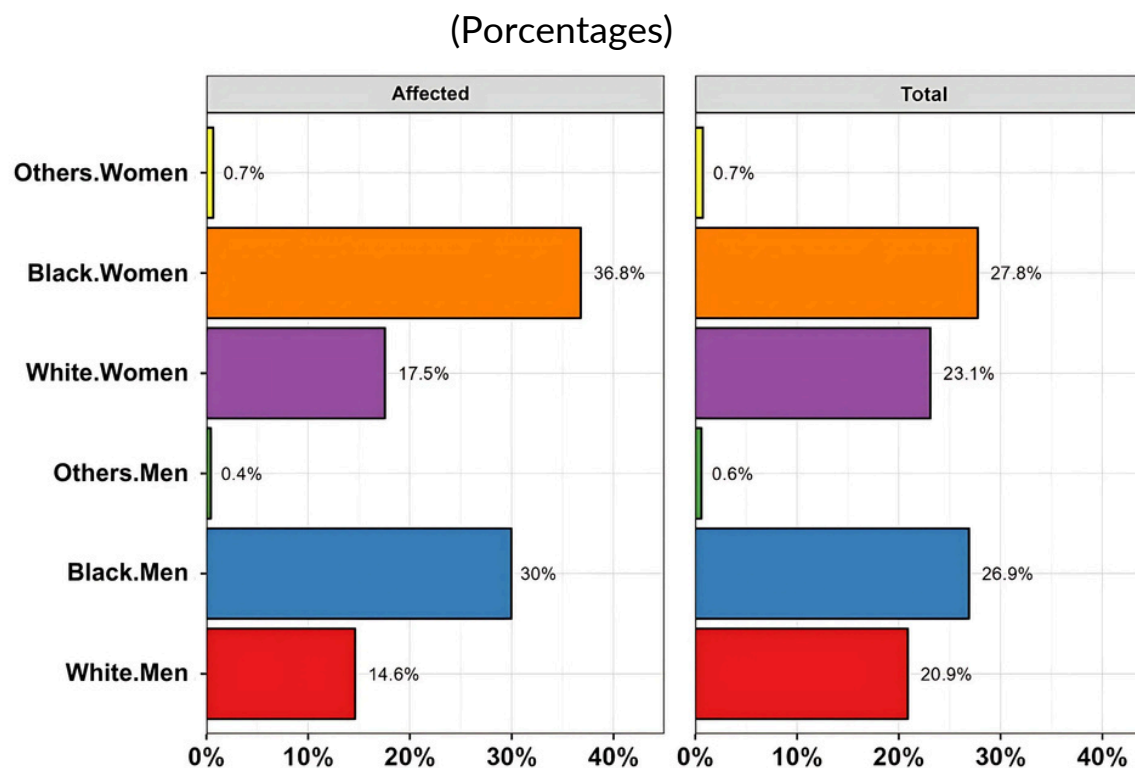


Source: Prepared by the authors based on IBGE's Family Budget Survey (2017-2018).

Note: The affected population is defined as individuals whose expenses would increase by more than 50% of their current income.

Finalmente, utilizando uma abordagem interseccional, a figura 5 destaca como as mulheres negras são especialmente prevalentes no grupo afetado, a uma taxa muito mais elevada do que na população total (35,8% entre as mulheres negras, 27,6% no total da população). Os homens negros também estão sobre-representados no grupo afetado em comparação com a população total.

Figure 5 - Brazil: Population affected by a hypothetical reduction of the State and total population, by race and gender, 2017-2018



Source: Prepared by the authors based on IBGE's Family Budget Survey (2017-2018).

Note: The affected population is defined as individuals whose expenses would increase by more than 50% of their current income.

The data used in this article refers to a period prior to the coronavirus (COVID-19) pandemic. Subsequent studies will be conducted to understand the pandemic's impacts on poverty, inequality, and vulnerability related to class, race, gender, and Federative Units, as well as the role of the public sector (Matos de Oliveira and Alloatti, 2022).

The scenarios discussed in this article show that women suffer extreme impacts as "recipients" of public policies. Another issue of interest is that women, as "producers" of public policies (because they constitute the majority of the workforce in health and education), would also be affected.

CONCLUSIONS

Brazil has a long history of inequalities regarding race, gender, and class. In this context, the 1988 Federal Constitution is an anomaly in Brazilian history, as it seeks to reduce inequalities (e.g., guaranteeing access to public health and education). While the Constitution establishes reducing inequalities as a fundamental goal, the State has not used all available tools to combat them (e.g., progressive tax reform). Recently, social policy setbacks and the "shrinking" of the State have also strongly contributed to increasing inequalities.

The data shows a class, gender, racial, and regional component in the hypothetical elimination of public health and education services. Additionally, when public spending is reduced, financial constraints mean families do not necessarily turn to market substitutes—they may opt out of accessing these services for financial reasons.

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