

# Welfare state in Brazil: a review or the crisis and the end of the “Dunkirk spirit”

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## Abstract

This article resumes the debate on the welfare state in Brazil to verify how the state and the capitalism developed in the country, were part of the social reform effort that emerged worldwide after the Second World War. The structural character of the welfare state may be considered as a social policy of the mode of production at a particular time of its development, when economic, social, and political crises were enhanced and required reformist and transformative responses. The study focused on national and international literature and examined documents related to social security, assistance, and the context of 1940s and 1950s Brazil. The analysis uses the literature discussing the Brazilian welfare state, its different versions and the data of that period to examine if the changes within the current state and social relations of production can be considered radical opposition to the welfare state model. The results show that in Brazil, the bases for the welfare state model were effectively developed in a format that reflected the local conditions. However, the research found that the unity of the causes that led to social reforms lacks political dimension nowadays, without which the economic dimension, exclusively, is not able to promote solidarity and social policies in their progressive concept.

**Keywords:** Welfare state. Crises. State reform. Reformism.

## *Estado de bem-estar social no Brasil: uma revisão ou a crise e o fim do “espírito de Dunquerque”*

### Resumo

O objetivo deste artigo é retomar o debate sobre o estado de bem-estar social no Brasil para verificar em que medida o capitalismo brasileiro e seu Estado integraram o esforço de reforma social, que em plano mundial se realizou após a Segunda Guerra. Consideramos o caráter estrutural do welfare state: uma política social integrante do modo de produção em dado momento de seu desenvolvimento, quando as crises econômica, social e política, como uma unidade, se potencializam e exigem respostas reformistas e transformistas. Trabalhamos com a literatura clássica sobre o assunto, nacional e internacional. Além disso, consultamos documentos relativos à previdência, à assistência e ao contexto dos anos 1940-1950 no Brasil. Retornamos à literatura que debate o welfare state entre nós, com versões distintas e os dados do período, a fim de examinar quanto é possível afirmar que as mudanças no âmbito do Estado e das relações sociais de produção ora em curso são, na verdade, uma contraposição radical ao modelo criado pelo welfare state. Os resultados mostram que, no Brasil, se desenvolveram efetivamente as bases constitutivas desse modelo cujo formato refletiu nossas condições locais. Mas a unidade das causas que levaram às reformas sociais naquele momento carece hoje da sua dimensão política, sem a qual a dimensão econômica, exclusivamente, não é capaz de levar ao resgate da solidariedade e a políticas sociais universalistas.

**Palavras-chave:** Estado de bem-estar social. Crises. Reforma do Estado. Reformismo.

## *Estado de bienestar social en Brasil: una revisión o la crisis y el fin del “espíritu de Dunquerque”*

### Resumen

El objetivo de este artículo es recuperar el debate sobre el estado de bienestar social en Brasil para verificar hasta qué punto el capitalismo brasileño y su Estado han integrado el esfuerzo de reforma social, que en plan mundial se ha realizado tras la Segunda Gran Guerra. Partimos del presupuesto del carácter estructural del welfare state, integrante del modo de producción en dado momento de su desarrollo, cuando las crisis económica, social y política, como una unidad, se potencian y exigen respuestas reformistas y transformistas. Trabajamos con la literatura clásica sobre el tema, nacional e internacional. Además, consultamos documentos relativos a la seguridad social, a la asistencia y al contexto de los años 1940-1950 en Brasil. Regresamos a la literatura que debate el welfare state en Brasil, con autores con diferentes visiones y los datos del período para verificar cuánto es posible afirmar que los cambios en el ámbito del Estado y de las relaciones sociales de producción en curso constituyen, en realidad, una contraposición radical al modelo creado por el welfare state. Los resultados muestran que, en Brasil, se han desarrollado efectivamente las bases constitutivas de ese modelo cuyo formato reflejó nuestras condiciones locales. Concluimos que la unidad de causas que han llevado a las reformas sociales en aquel momento carece hoy de su dimensión política, sin la cual la dimensión económica, exclusivamente, no es capaz de llevar a la reforma en su concepto progresista.

**Palabras clave:** Estado de bienestar social. Crisis. Reforma del Estado. Reformismo.

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## INTRODUCTION

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The issue of welfare state in Brazil has occupied authors with different understandings, including doubts about its effective existence here, at any historical time. It is a debate, we must recognize, that in the past it has had greater prominence. Why return to it now?

Social action has always been present in the history of capitalism as an expedient of sociability that the mode of production has resorted to. The most expressive, although repetitive, example is the Poor Law, in its first edition, in the 17th century. Despite the recognition of this long-standing social concern, there is no denying that the intensity and extent of measures to aimed at easing the conditions of poverty grew up in the 20th century and even more after the Great Depression. They are, therefore, greatly associated with what emerges in England under the title of welfare state.

In this paper, we take Esping-Andersen (1991) and Mishra (1990) as references, for whom the welfare state was created after the Second World War and has as a distinctive characteristic, in relation to previous social policies, is the role that State, market and civil society, integrally, took over.

Social actions, from this new agreement, are included in the survival plans of the system or, when this is not the case, in improvement plans, under the declaration of the need to overcome the limitations of capitalism, the “market failures”. This is in the same field of concern as the well-known chapter 24 of ‘General theory of employment, interest and money’, where Keynes recognizes in the market economy the “inability to guarantee full employment and its arbitrary and unequal distribution of wealth and income” (Keynes, 1964).

This consideration, however, did not mean for capitalism to give up on becoming a form of social life capable of realizing the great banners of the French Revolution. At a certain point in history, the economic and political leaders of the dominant project faced the problems of capitalism and looked at the challenge from the point of view of the state’s power under their control. Contributed to this: economic crises, in their narrow definition; the emergence of the Soviet Union and a set of consequences of this, ranging from the demonstration effect to the greater politicization of labor movement; and the theories of crisis, in particular that referenced in the theory of cycles, by Kondratiev (1979).

Between 1873 and 1896, the capital experienced its first major crisis, the Great Depression of the 19th century, followed by the First World War, from 1914 to 1919, of European spectrum, and, later, the well-known general crisis, which occurred in the years 1930, after the crash of the New York Stock Exchange in October 1929. In parallel to the crisis of capitalism, which in its new epicenter, the United States, registered thousands of bankruptcies, and millions of unemployed, the Soviet Union was growing at high rates, driven by its first two five-year plans (Ellman, 1980).

In a well-known passage, Marx (2001) attributes the crises, ultimately, to the atavistic problem of pauperism and the consequent low consumption. In his words,

the ultimate reason for any real crisis is always poverty and the restricted consumption capacity of the masses, with which contrasts the tendency of capitalist production to develop the productive force as if there were no more limit than the absolute consumption capacity of the masses (Marx, 2001, p. 455).

The crisis of the 1930s produced theoretical-ideological rupture of classical theory, whether on the economic and political levels, or organizational. On the economic level, this is what made Kalecki and Keynes, from different starting points, accuse the unsustainability of the classic theses of self-regulation in certain circumstances of capitalist development. In Keynes’s words:

Regarding the propensity to consume, the State will have to exert a guiding influence on it through its tax system, fixing the interest rate and perhaps by other means [...] a somewhat broad socialization of investments will be the only means of ensuring an approximate situation of full employment (Keynes, 1964, p. 356).

The crisis will also lead to the political review, specifically on the role of the state, which is strongly expressed in the New Deal, when the Roosevelt government mobilizes public resources to emerge from the depression. Although some authors deny the New Deal's role in eradicating the Great Depression (Friedman & Schwartz, 1963) and the active role of the State as an effective instrument in combating major crises (Grant, 2014), the truth is that national statistics released by Kalecki (1978) show the positive effects of Roosevelt's state intervention.

It is also in this environment that the ideas of a pragmatic administrative humanism advance, but which concretely is an inflection under the weight of the unions, unemployment, the evident wear and tear of capitalism and religious and secular civilizing movements. It is finally in this scenario that social policies take shape. It is the most explicit way for society to say that it is effectively concerned with responding to the challenges left by the rubble of the crisis and the war – challenges that were not limited to rebuilding physical heritage, but, above all, to rebuild capitalism's intended ethical heritage.

The advance of critical ideas about classical thought, as a reflection of the continued economic, theoretical and political struggle, gains momentum with the Nazi-fascist defeat in the Second World War, and will generate, among other initiatives, that which has become a paradigm of a new regulation: the welfare state.

Welfare state is, therefore, the product of a time when it was tried to build, on the lessons of Great Depression and the stones of the Thousand-Year Reich, the eternity of capitalism, without crises and without war. A time when economic and political determinations created the context to which Wolff and Oliveira refer in their article “The ‘spirit of Dunkirk’ and the English NHS: theory, history and evidence”. The text is an allusion, as the authors say, “to the national effort to rescue British troops trapped in an increasingly narrow strip in the region of Dunkirk, on the French coast”, in 1940 (Wolff & Oliveira, 2017, p. 206). There, in almost ten days, 400.000 men were evacuated alive, with help of civilians of all creeds, races and incomes. An epic brought to the cinema under the title Dunkirk and that had in the protagonist, actor Fionn Whitehead, an illustrative definition: “The spirit of Dunkirk is the unity of people to deal with a crisis”.

It was the post-Depression of the 1930s and the post-war period, an environment of rebirth. Santos comments that

in this post-war world, peace had been the product of a vast progressive global movement. The allies imposed democracy on Nazi-fascism, the principles of a social order where national sovereignty, democracy and social justice and trust in the unity of mankind served as common principles for reordering the world. Full employment, economic well-being, development and economic growth became universal ideas (Santos, 2004, p. 156).

Thus, it would be strange for Brazil to be isolated from this scenario. Although not the welfare state of Lord Beveridge, it is to be assumed that something similar was part of Brazilian conjectures.

Therefore, the objective of this paper is to resume the debate on welfare state in Brazil, starting from the already existing accumulation and adding elements that can demonstrate how Brazilian bourgeoisie and its State also integrated the passive revolution effort (non-Jacobin) which took place worldwide after Second World War. With this, we want to affirm the structural character of the welfare state, which was the reformist and transformist response (Gramsci, 2007) when economic, social and political crises became more potent, and demanded it.

It is necessary to return to this theme because structural reforms are being implemented by national states and their public administrations in response to ongoing crisis, as has occurred in different countries and continents since 1980s (Jansen Ferreira & Mendes, 2018; Pastor-Seller, Verde-Diego & Lima-Fernández, 2019; Stein, 2017). These are social and labor reforms that limit the provision and access to public services, which suggest us to question what rights these are and why they emerged in our country. The statement that the welfare state has also arrived in Brazil allows us to understand the meaning and breadth of the changes we have undergone.

In other words, it is intended to highlight a discreet, but important, meaning of this debate, which consists in recognizing that public policies in various areas – from food to transportation – existed, and their fading is inscribed among the contemporary social deficits, negative practical consequences of radicality of the crisis we are living in. Reflecting on these circumstances helps to respond to Kerstenetzky and Guedes's (2018) appeal, when they say that “the welfare state resists, but needs reinforcement if the objective is to put inequality and poverty under control”. Likewise, it contributes to replacing the

possibility of an economic policy in which the social is not a separate object, but part of the object. That is to say, as Draibe and Henrique, that “social policies play a central role both in the strategy of income redistribution and in the promotion of a sustained economic recovery” (Draibe & Henrique, 1988, s.p.).

For this review, we worked with the classic literature on the subject, both from foreign and Brazilian authors. In addition, we consulted documents published by institutional sources that produced information pertinent to social security, assistance and the historical moment experienced between the 1940s and 1950s. We have included new texts that point to the timeliness of the theme – an aspect that stands out after the pandemic that recently shook the world. In the case of documents that retrieve the Charter of Social Peace and the Teresópolis Conference, important pieces in proving the involvement of the Brazilian business community with the social project in evidence, we used texts from the employers themselves. We try to stick to the period close to the launch and the approval of the Beveridge Plan to place Brazilian initiatives in the same “Dunkirk spirit” that at the time inspired the English initiative.

## THE DEBATE

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The Welfare State (WS), in general terms, can be defined as “state responsibility to ensure the basic well-being of citizens”, taking into account, however, that “it cannot be understood only in terms of rights and guarantees. We also need to consider how state activities are intertwined with the role of market and families in terms of social provision” (Esping-Andersen, 1991, p. 99). This means that rights and guarantees had already been dealt with previously, in the form of state assistance. What distinguishes this form that takes shape after the Second World War is the solidary character of three spheres of social life, which intertwine to promote these rights and guarantees, which in a way represents the hegemony of social democracy, broadly speaking.

The construction that was carried out at that time was of a solidarity nature, comprising the phenomenon to which Santos (2004) and other authors refer when they speak of the feeling of peace and collaboration that emerged at the end of the war. Although it was not long lasting, the alliance built to face fascism seems to have extended for some years beyond conflicts and, along with other intervening factors, left the necessary inheritance, which includes the UN – as a symbol –, Fordism, Keynesianism and welfare state as public and private references. Among the intervening factors, it is worth remembering, are the dispute over economic, political and ideological projects, between the two Cold War blocs, and the widespread belief that was necessary to maintain the level of global consumption and full employment to avoid crises and, alternatively, to mitigate social conflicts.

In Brazilian case, some authors reject the idea that the welfare state occurred here. For various reasons, which are often compared with the English case, these authors either deny by absence of fullness, as is the case of Silva (2011), or simply deny that it existed, as Streck and Morais (2006). According to Silva (2011), “there was no welfare state in Brazil, considering the characteristics of the national social policies already indicated, which were constantly relegated to the background” (Silva, 2011, p. 31). In the same vein, Piana (2009) argues that “in the so-called poor and dependent countries of Latin America, especially in Brazil, well-being of the population has never been guaranteed through the universalization of quality public rights and services” (Silva, 2011, p. 31). Faleiros (1991) agrees with this idea, commenting that “in peripheral poor countries there is no Welfare State or full Keynesianism in politics. Due to profound class inequality, social policies are not universally accessible” (Faleiros, 1991, p. 28).

As directly as Silva, Streck and Morais (2006) say that “in our country, the promises of modernity have not yet been realized [...] it is evident, therefore, that in countries like Brazil [...] Social State did not exist” (Silva, Streck & Morais, 2006, p. 84). More recently, Soares (2020) reaffirms this position and arguing that “in Brazil, a country of profound social inequality, the state of social well-being is questionable, given the maintenance of the marginalization of black, indigenous and poor communities” (Soares, 2020, p. 3).

Other authors, however, such as Maria Lúcia Werneck Vianna (1991), Sônia Draibe (1993), Wanderley Guilherme dos Santos (1979), Sônia Fleury (1985) and, more recently, Lenaura Lobato (2016), conduct this complex discussion in a different path. Furthermore, Luís Fiori (1997), in his well-known paper “State of social well-being: patterns and crises”, admits the

assumption of welfare state in Brazil, even though he classifies the Brazilian model as meritocratic, using the typology of Esping-Andersen and Titmuss.

For better understanding, Esping-Andersen (1991) and Titmuss (1963), cited by Fiori, offer a taxonomy of the welfare state that takes the debate to a plan directly determined by criteria and breadth of access to rights and guarantees. This typology is used by Fiori to situate his position in the face of the debate that we are now resuming - hence we consider that bringing Fiori to start the presentation of the authors who understand the possibility of the welfare state in Brazil is the most economical solution presented itself to us.

He exposes us to the typologies of Titmuss and Esping-Andersen, as follows:

- i. “The residual welfare model of social policy”, the pattern or residual model, “where social policy intervenes ex-post. And has a temporally limited character”. It would be the contemporary case of the United States.
- ii. “The industrial achievement performance model of social policy”, generally translated as a meritocratic-particularist model or standard, where social policy intervenes only to correct market action. “The welfare system”, in these cases, is only complementary to market institutions. Germany was perhaps the case that comes closest to this model today (Fiori, 1997, p. 135).

Titmuss characterizes, as we can see, two general types in which the benchmark is the market, either because of its failure or because of its insufficiency. Ahead, his meritocratic-particularist type has consequences in the light of Italian experience. In the words of Fiori:

Later, Ugo Ascoli (1984) tried to increase the accuracy of this model, by differentiating two subtypes of its own: the “corporate” where the weight of unions and corporations in the delimitation and distribution of benefits is greater than in the “clientelistic” where the greater weight moves to the party system and is more directly submitted to political-electoral cycles (Fiori, 1997, p. 135).

Finally, Titmuss completes his typology with the model that has established itself as a universalist – the redistributive model of social policy –, when the merit of work gives way to the value of citizenship. This model, present in the Nordic countries, especially in Sweden, can be identified, according to Fiori (1997), as “institutional redistributive standard”, “aimed at the production and distribution of ‘extra-market’ goods and services, which are guaranteed to all universally covered and protected citizens” (Fiori, 1997, p. 136).

Fiori brings Esping-Andersen, who, despite not differing substantially from Titmuss, “proposed a new nomenclature for a typology he now called ‘welfare state regimes’” (Fiori, 1997, p. 136).

The distinction made by Esping-Andersen is that the criterion used in its typology is the political project implicit in each welfare state regime. Therefore, he calls for (1) liberal welfare state, (2) conservative and strongly corporate welfare state and (3) social democratic regimes. In the first type, found in United States, Canada and Australia, “assistance to proven poor predominates, reduced universal transfers or modest social security plans and where the rules for entitlement to benefits are strict and often associated with stigma” (Fiori, 1997, p. 136). The second model is found in France, Germany, Italy and Austria, and “the preservation of status differences predominates; rights, therefore, appear to be linked to class and status [...] and the state emphasis on maintaining status differences means that their impact in terms of redistribution is negligible”. The latter model, in turn, is one in which “universalism and de-mercantilization reach the middle class widely and ‘where all social segments are incorporated’” (Fiori, 1997, p. 137).

Later, however, referring to later studies, as we will see in Draibe, Fiori mentions the “richest veins of today’s vast literature on welfare state”, and resorting instead to Santos and his concept of regulated citizenship, recognizes a type of WS in Brazil: the meritocratic (Fiori, 1997, p. 137).

The range of situations is such that we could still add to Fiori a mixed type, in which in our view, public educational system in Brazil is constituted, bringing together universalism (elementary and high school) and meritocracy (higher education).

Vianna (1991) approaches Fiori’s conclusion and is more affirmative, when she says that “in Italy and Brazil systems fit precisely in meritocratic-particularist category of Titmuss/Ascoli typology”. She explains her point of view by saying that “conservative elements became active in both consolidating a corporate and hierarchical style of granting social benefits” (Vianna, 1991, p. 146).



The author resumes the statement starting from the 1988 Constitution, in the article that disposes about social security, and sees in this the overcoming of the meritocratic-particularist limit. In her words, “today, by article 194, Social Security [...] extends citizenship, conferring social rights to all Brazilian people. Finally, Welfare State is institutionalized. By law, the particularism of corporatized access to benefits is overcome” (Vianna, 1991, p. 151).

Draibe (1993), in *The Welfare State in Brazil: characteristics and perspectives*, says that, “between the thirties and the seventies, social state was constituted and institutionally consolidated in Brazil” (Draibe, 1993, p. 19). On the previous page, the author summarizes the ways in which WS was carried out, in the context of its elaboration significantly entitled ‘Morphology of the welfare state in Brazil’ (p. 18). Reflecting on “the periodization of welfare state, she also states that it is necessary to “carefully examine the nature of legal production and innovations in policies that run from 1930s until now, in order to avoid a linear view of movement to build and consolidate welfare state among us” (Draibe, 1993, p. 19).

Draibe acknowledges the polemic about WS in Brazil. She states that “studies and debates about social policies in Brazil [acquired] a strong negative tone, referred to an opposite - the welfare state - taken [...] Anglo-Saxon specialty in the field of social policy” (Draibe, 1993, p. 2). Next, he adds that “it is possible to apprehend the Protective State less as the concretization of post-war social-democratic programs, rather as an important structural element of contemporary capitalist economies, a form of articulation between the state and the market, the state and the society” (Draibe, 1993, p. 2).

In same direction, Fleury (1985), when dealing with social policy, considers that there are three main modalities of social protection that accompany the historical development of Modern State: “social assistance, social security and social welfare state [...]. In the Brazilian case, what I have demonstrated is the existence of these three modalities pointed out” (Fleury, 1985, pp. 401-403).

Lobato (2016), like Vianna, takes the Constitution of 1988 as “a specific chapter for social order” (Lobato, 2016, p. 90). According to her, “social security institutionalizes an expanded model of social protection, along the lines of welfare states”. It is the same understanding of Crestani and Oliveira (2018), for whom, “considering the Constitution of 1988 as a referential of changes, it can be identified that, since then, the Brazilian state began to leave behind the conservative and corporatist model, approaching the type of social-democratic welfare state” (Crestani & Oliveira, 2018, p. 318). This is also the understanding of Menicucci and Gomes (2018), who attribute to Constitution of 1988 the transition from a social insurance model to a security model, raising the level of citizenship.

Considering these three elements (the categories of Esping-Andersen and Titmus, what the aforementioned Brazilian authors mentioned, and the observation of the reality built before and especially after the 1988 Constitution) we are inclined to recognize the existence of a combination of expressions of welfare state that represented achievements, gains, accesses, rights, and guarantees developed over time, acquired through struggles, pressures, negotiations, concessions, crises, fears, and solidarity.

## ISSB AND THE CHARTER OF SOCIAL PEACE

There are different explanations about the causes of welfare state in England. For some authors, the pressure of unions and labor parties (Esping-Andersen, 1991; Rosanvallón, 1997); for others, the structural problems of the mode of production, whose instability requires state intervention to guarantee the level of consumption and full employment (O’Connor, 1977; Offe, 1984; Przeworski, 1991). Just as we can understand the intermingling of types of WS, we can grasp the complexity of the causes.

To these reasons, of double understanding, we could add another aspect, related to international politics and need to obtain national unity for it. The Beveridge Report, the formal origin of the welfare state proposal, was written in war context, in 1942, recalling the conflict of 1914-1919, when socialist organizations rejected the war, treated it as a matter outside the interest of workers, classified it as a struggle between bourgeois fractions and condemned the funds allocated to the conflict. Illustrating this, Lenin, certainly an authoritative representative of radical social-democratic wing, spokesman of this sentiment, said that “the meaning of the present war is to annex lands and subjugate other nations [...] to divert the attention of the working masses from internal political crises [...] to disunite and confuse the workers with nationalist propaganda and to exterminate their vanguard to weaken the revolutionary movement” (Lênin, 1976, p. 161).

Oppositions like this one were repeated in Germany, England and France, making it difficult to gather forces and approve war funds in the first major conflict. The fear that something similar would happen again, recreating the perspective of internal dissidence and social revolution itself, as had happened in Russia, was present at that time. Moreover, in England, under leadership of Oswald Mosley and his British Union of Fascists (BUF), Nazifascist proposals aimed at workers were also evolved, which also worried conservatives (Colin, 1961; Silva, 2017). It is not without reason, therefore, that in 1941 the Atlantic Charter, drafted by Churchill and Roosevelt, and immediately supported by other countries, pointed to social measures to be adopted after the war (Marshall, 1967; Sigerist, 1944). The European uniqueness of the process should not be underestimated when we recall the Beveridge Report and Plan. The circumstances experienced by the countries of Europe, particularly England, advised the effort to build a broad alliance that clearly included workers. For its part, the United States was coming out of a deep crisis, having also made a “new deal”, including workers explicitly.

The Beveridge Report and Beveridge Plan are the most complete statement of this movement for a class pact. Its 3 principles and recommendations stated:

The first principle is that any proposals for the future, although they should make the most of the experience gathered in the past, should not be restricted to it: Right Now, when war is abolishing landmarks of every kind, is the clear opportunity to innovate. A revolutionary moment in the world’s history is a time for revolutions, not for patches.

The second principle is that the organization of social insurance should be treated as one part only of a comprehensive policy of social progress. A fully developed social security plan may provide income security; it is an attack upon poverty. But poverty is one only of five giants on the path to reconstruction and in some ways the easiest to attack. The others are Disease, Ignorance, Misery and Idleness.

The third principle is that social security must be achieved by co-operation between the State and the individual. The State should offer security for service and contribution. The State when organizing security should not stifle incentives, opportunities, responsibilities; when establishing a national minimum, there should leave room and encouragement for voluntary action by each individual to provide more than that minimum for himself and his family (Fordham University, 1942, p. 1).

The State, in order to fulfill the role described in third principle, uses sources of revenue that are once again the demonstration of the alliance built on the principle of all principles: solidarity. This is confirmed when Beveridge explains the two main sources of social security: “By contribution, the poorest and the richest of men are treated equally. [...] By tax, on the contrary, the richest, by virtue of his ability to pay, pays more for the general purposes of the community” (Beveridge, 1943, p. 170).

The Beveridge Report and Plan had influenced all over the world. In Brazil, there are records of greater disclosure in *Jornal do Commercio*, in 1944 (Gonçalves, 2001). However, before that, in 1943, José Olympio, a publishing house based in Rio de Janeiro, then the capital of the Republic, published the document *The Beveridge Plan: Report on Social Security and Related Services* (Beveridge, 1943). Moreover, Brazilian government technicians participated in international meetings on social policies, particularly on Beveridge Plan, whose popularity made it the subject of debates and articles (Assis, 1950).

At that moment, at the end of the war, under varied circumstances and political tensions, Vargas, attentive to national and international political developments, issued Decree 7.526, of May 7, 1945, creating the Institute of Social Services of Brazil (ISSB).

Malloy (1976), a professor at University of Pittsburgh, in a paper in *Journal of Public Administration*, makes the following comment about the ISSB:

Very important to the scheme was the creation of a new type of institute called the Brazilian Social Service Institute - ISSB. The scheme included a comprehensive plan to protect the cradle to the grave, based on: 1) broad medical care; 2) a full range of welfare programs; 3) the traditional retirement benefits and pensions (Malloy, 1976, p. 15).

The goals of ISSB are highlighted by the author to illustrate his allusion to welfare state:

The creators of ISSB, strongly influenced by England’s Beveridge Plan, aimed at three additional main goals: 1) to extend social security protection to all Brazilians (the only two exceptions being civil and military servants, who would keep their own systems), including, of course, rural workers, who until then had no assistance; 2) the ISSB would establish a uniform plan of contributions and benefits for all; 3) all social security activities would be unified under a single institute, ISSB (1976).

In this excerpt, besides several important aspects, it is note point that, once again, the reference to Beveridge and his plan appears in the scenario of Brazilian social security and social assistance.

It should also be noted that Malloy’s comment about extension of the ISSB – “from cradle to grave” – follows the Beveridge Plan itself in its “main feature”: “The main feature of the Social Security Plan is a social insurance scheme against interruption or destruction of purchasing power and for special expenditure arising from birth, marriage or death” (Fordham University, 1942, p. 5). It was confirmed, also in the Brazilian case, its determination to be a broad plan, of complete coverage, revolutionary, “not for patches”.

Vargas, in a speech extolling his own initiative, once again alluded to Beveridge, saying, “with this plan, Brazil was once again placed in the leadership of social security systems, anticipating and surpassing in many points reforms in the same sense undertaken in other nations [...] including the famous Beveridge Plan in England” (1952). The ISSB did not evolve, but the presence of social issue in the mirror of Beveridge Plan would return at the beginning of Vargas’ second government, with National Welfare Commission on Social Welfare, which would operate from 1951 to 1954 (Oliveira, 2020).

In parallel to the events involving the Beveridge Plan and the ISSB, a movement was developing among the Brazilian entrepreneurs that kept the same spirit of conciliation: the First Conference of Producing Classes (Conclap), which took place in 1945. There, besides the Economic Charter of Teresópolis, “the Charter of Social Peace was approved, a document that shaped the philosophy and the concept of social service funded by the business community” (Centro de Pesquisa e Documentação de História Contemporânea do Brasil [CPDOC], 2009).

There, 183 delegations were present, and among the most representative figures they were businessmen Brasília Machado Lopes and João Daudt de Oliveira, both from commerce; Iris Meinberg, from agriculture; and Roberto Simonsen and Euvaldo Lodi, from industry. They were unquestionably the greatest leaders of their sectors at the time. The “producing classes” intended to “join forces in favor of development” and overcome “a major obstacle to this achievement”, poverty, social conflicts, “mainly between employers and employees”, as we read in the presentation of the Charter of Social Peace (Serviço Social do Comércio [Sesc], 2012).

The Charter begins by saying that

The Employers and employees who are dedicated, in Brazil, in the various branches of economic activity recognize that a solid social peace, founded on the economic order, will result primarily from an educational work, through which men can be fraternized, strengthening in them the feelings of solidarity and trust. They recognize the need to ensure within the country a long period of cooperation in order to process the development of its productive forces and the Brazilian’s standard of living elevation (Sesc, 2012, p. 11).

After this declaration of intent, the initiatives and commitments were announced:

For this it is indispensable to promote the increase of national income and its best and widest distribution, with the best use of the country’s resources, which can be obtained by implementing a broad and objective economic planning, in the terms of Charter of Teresópolis. To that end, and in the conviction that nothing will be achieved without the narrowest understanding between employers and employees [...] solemnly undertake the commitment to advocate the achievement of these objectives (Sesc, 2012, p. 11).



The Economic Charter of Teresópolis, referred to in this quotation as the Charter of Teresópolis, is the general document of the 1<sup>st</sup> Conclap. According to the FGV CPDOC website, in the topic “Social Policy” of this it is said that “the population should receive medical care and primary and secondary specialized education, [...] up to the age of 14. Likewise, social insurance should be extended to the entire population, and its reserves should be used to build schools, hospitals, and housing for the insured” (CPDOC, 2019).

Specifically, Charter of Social Peace states that “capital should not be considered only as a profit-producing instrument, but mainly as a means of economic expansion and collective welfare” (Sesc, 2012, p. 12). Its items 7 and 8 meet, respectively, commitments and prescriptions for employers and employees, in the sense of, with their means, jointly contributing to the announced objectives. Item 10 states that, “completing the set of measures contained in this Charter, employers and employees will make the State feel the need for the following measures”, followed by monetary, fiscal and administrative measures that would be up to the State to implement (Sesc, 2012, pp. 14-16). As for the application of pensions resources, it is reaffirmed that the producing classes “think it is fair to allocate to undertakings of clear collective interest the financial reserves of social insurance, especially the construction of schools and hospitals, as well as houses for the insured” (CNI/Conclap, 1945, p. 15).

The proposed social agenda includes the adoption of the collective holiday system and the installation of holiday camps. In addition, “gather its energies in order to contribute to improvement of Brazilian education and health” (CNI/Conclap, 1945, p. 16) and the installation of popular restaurants (CNI/Conclap, 1945, p. 24). Attributing these demands to the State, however, entrepreneurs, in the spirit of the time, are also committed. In the Charter of Social Peace, “employers are proposed to create a Social Fund to be applied in works and services that benefit employees of all categories and in social assistance in general”. Deepening the commitment, they define that “the Social Fund will consist of a contribution from each company – agricultural, industrial and commercial or otherwise–, withdrawing of the net profits of its balance sheet” (Sesc, 2012, p. 13).

Finally, as noted by Delgado (2007) in paper about entrepreneurship and social policies in Brazil,

although restricted, if confronted with the demands of different professional categories and with proposals from groups within the State, the formulations Economic Charter of Teresópolis about social policy reveal a growing acceptance, by entrepreneur, of the expansion of public social protection system [...]. The suggestion of generalization social insurance and the unification of social security institutes was close to the universalist formulations that gained influence with the dissemination of Beveridge Report in England. As a whole, therefore, Economic Charter of Teresópolis reveals a business community willing to accept the intensification of the State’s protective action, in order to overcome “disagreements and misunderstandings” (Delgado, 2007, pp. 150-151).

It is true that Charter of Social Peace is pragmatic and, to some extent, authoritarian. It explicit states that its promises and intentions are given “not only for the sake of social solidarity, but for economic convenience” (Sesc, 1971, p. 12). An equally conciliatory posture is demanded of the workers, insofar as the letter asks them to “d) cooperate so that the necessary discipline in the execution of the work reigns”, and even “f) to try to encourage individual productivity”, to determine “that the dissent are resolved first in the joint union commissions”. He also asks that “[...] any rights be claimed by peaceful means, formally condemning all recourse to violence” (Sesc, 1971, p. 16). These formulations seem obvious and reasonable. However, it is known that its application has quite authoritarian nuances. But, equally undoubtedly, it is possible to consider the Economic Charter of Teresópolis and the Charter of Social Peace testimonies of the attempt to build in Brazil a social project in the style of what existed in England, with the broad support of civil and political societies. This is confirmed by the tripod supporting security – workers, employers and the State - and by its intentionally wide extension. These are elements that, recalling Esping-Andersen, make the distinction between pre-postwar social policies and welfare state.

## CONCLUSION

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The so-called social issue, which extends to the present day under special conditions, has a strong reference in the welfare state. The welfare state, of English origin, presented itself to the world, since its birth, as an advanced step, a revolutionary project, as classified by its main formulator, Lord Beveridge.

It was a plan maintained by society’s contribution, in the form of taxes and contributions paid by all, either by employers, by employees and by the State. We are talking about society because employers’ contributions and taxes have never ceased to be passed on to prices, and it is up to everyone to pay them. In turn, the State does not have its own resources, but in issuing operations. Its primary revenue is taxes, which come from society.

Thus constituted, the Beveridge Plan, which gave rise to the welfare state, inaugurated a broad scheme of fiscal support and coverage, focusing on the worker, in its various forms, including housewives, tending to welcome the citizen, universally, as would happen.

Two aspects stand out in this description: 1) solidarity, motivated by several reasons, when, as we have seen in Santos, “national sovereignty, democracy and social justice and trust in the unity of the human race served as common principles to reorder the world”; and 2) generosity, in the double sense that this word can have in the context, that is, the feeling that a new world was being built, “not a patch”, as Beveridge wrote, and that in this new world there was no place for pettiness and exclusion.

In Brazil, the welfare state issue is addressed by two readings: first, which has become better known, affirms its inexistence in our history; the second considers that there are similarities in the Brazilian system, following the international scenario, but especially from the 1988 Constitution. In the latter case, there would be a combination of restricted policies with universal generous, policies, which are configured in the constitutional text.

The recovered historical facts show that post-World War II social policies, either in England or in Brazil, followed similar traits and close steps: attempt to rescue capitalism as an economic and social development project, search for class conciliation, concern about the political consequences of the advancement of democracy and socialism, attention to the basic needs of the low-income segments and the intention of wide coverage, “at birth, marriage or death” (Beveridge), “from cradle to grave” (ISSB).

This is the first angle of the debate that we want to highlight here. It is important because it corresponds to the structural needs of capital, once we consider dialectically that the contradictions of the mode of production, the pressures and struggles of the workers, the problems of consumption, investment and full employment – set of explanatory causes of the Welfare State – are, in fact, a unit to which, respecting national singularities, all post-war capitalism has been tied up.

The second angle is that, since the advent of the capital crisis, in the 1970s and especially in the 1990s, a process of reducing the state of social welfare has followed, under the claim of fiscal limitations, but also in the name of restoration of market values, including its self-regulatory power. While this power does not present itself, it is intended to overcome the persistent crisis of over accumulation through physical/economic assets and public funds, which continue to be increasingly mobilized, in privatizations, concessions, tax waivers, subsidized credits and investments in infrastructure. They are traditional ways of coping with crises, from a certain perspective. The answer, therefore, depends on the very reasonable question that can be asked about how much post-war concerns about structural and social problems have been overcome. The answer that is being configured, in light of the conditions of increasing income and wealth inequality, associated with the reduction of public security, is that these problems not only continue, but their treatment is not taking the path of universal social policies. The concerns and, worse, the “Dunkirk spirit” are being relegated.

With political threats aside, given the fragility of unions and labor parties, the “common principles for reordering the world”, national sovereignty, democracy, social justice and confidence in the unity of humanity no longer seem to be part of the logic or the discourse of most of business and political leaders. In the medium term, as long as the *histoire conjuncturelle*, to use Braudel’s expression, does not change in its main elements, we should not expect anything like the Beveridge Plan,

the ISSB or the Charter of Social Peace. After all, the unity of causes that led to passive revolution today lacks its political dimension, without which the economic dimension, exclusively, is not capable of leading to any reform in the progressive concept that has that word.

Finally, we cannot agree with Vargas that Brazil has gone beyond Beveridge or that it has come close. However, we are certain that low-income Brazilians, workers and the so-called middle classes have had and still have something to lose. Social security and assistance policies; protection for the elderly, children, adolescents, women and the most vulnerable segments; in addition to public education and health, they are public values that have served and serve millions of people. Its deficient existence needs improvements, corrections and improvements, but not its suppression. Defending them is more than reasonable, particularly when inequality and its consequences call for attention. Part of that attention is the rehabilitation of solidarity as a constitutive, structural element of sociability.

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