
**COVID-19 EMERGENCY AID AS A LABORATORY FOR THE
RESTRUCTURING OF SOCIAL PROTECTION IN BRAZIL**

***AUXÍLIO EMERGENCIAL DA COVID-19 COMO LABORATÓRIO
PARA A REESTRUTURAÇÃO DA PROTEÇÃO SOCIAL NO BRASIL***

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ABSTRACT

Objective: The present study aims to analyze emergency aid and residual benefit, as well as the social and economic impacts resulting from them.



Methodology: For this purpose, the hypothetical-deductive approach method was used, supported by bibliographic review, statistical data, legal standards analysis, as well as the judgments of the Federal Court of Auditors, regarding the reports of monitoring of aid payments. emergency.

Results: After all, it is imperative to conclude that in order to establish a protection model that effectively reaches the most vulnerable people, several factors must be analyzed, among which are the resources necessary for its implementation, which is why the institution of emergency aid and the notes on your positive and negative points have been one important laboratory to be reflected on the restructuring of social protection.

Contributions: The present research contributes to the discussion on a very current topic on the benefit given to workers during the coronavirus pandemic period, as well as the financial impact to the Federal Government of distributing these values.

Keywords: Emergency aid; social protection; social and economic impacts

RESUMO

Objetivo: O Presente estudo tem por objetivo analisar o auxílio emergencial e o benefício residual, bem como os impactos sociais e econômicos deles decorrentes.

Metodologia: Para tanto, utilizou-se o método de abordagem hipotético-dedutivo, com suporte na revisão bibliográfica, em dados estatísticos, na análise de normas jurídicas, bem como nos acórdãos do Tribunal de Contas da União, relativos aos relatórios de acompanhamento dos pagamentos do auxílio emergencial.

Resultados: Afinal, é imprescindível concluir que para se estabelecer um modelo de **proteção** que atinja efetivamente as pessoas mais vulneráveis, diversos fatores devem ser analisados, entre os quais se destacam os recursos necessários à sua implementação, razão pela qual a instituição do socorro emergencial e o notas sobre seus pontos positivos e negativos têm sido um importante laboratório a ser refletido sobre a reestruturação da proteção social.

Contribuições: A presente pesquisa traz como contribuição a discussão sobre um tema muito atual sobre o benefício dado aos trabalhadores no período da pandemia do coronavírus, bem como o impacto financeiro ao Governo Federal relativo à distribuição desses valores.

Palavras-chave: Auxílio emergencial; proteção social; impactos sociais e econômicos.



1 INTRODUCTION

Among the social protection measures adopted by Brazil to face the consequences resulting from the coronavirus (Covid-19), there is emergency aid, a benefit of a welfare nature, instituted by Federal Law nº. 13.982, of April 2, 2020. This benefit aims to guarantee an income for low-income workers, informal or who carry out their activities on their own account, given the difficulty or prohibition of the exercise of work activity that would guarantee income for their own maintenance and that of their family. The benefit amount was set at R\$ 600.00 per month, to be paid within three months.

The aforementioned law authorized the Executive Branch to extend the aforementioned term “during the period of confrontation with the public health emergency of international importance of Covid-19” (art. 6). Considering the aforementioned authorization, Decree nº. 10.412, of June 30, 2020, extended the payment of emergency aid for two months, thus totaling five months.

After the extension period was over, Provisional Measure nº. 1000, of September 2, 2020, instituted residual emergency aid, which, in a way, is a new extension of emergency aid for a period of four months. However, with an amount corresponding to 50% of that previously paid, that is, R\$ 300.00.

The volume of resources approved for the payment of emergency aid and residual emergency aid is R\$ 320 billion, which corresponds to almost four years of Union spending on the “Bolsa Família” Program and the benefit of continued provision social assistance.

The purpose of this article is to analyze emergency aid, both in terms of protection and in relation to the social and economic impacts resulting from it. The method of approach used was the hypothetical-deductive, supported by the bibliographic review, statistical data, the analysis of legal norms, as well as the judgments of the Federal Court of Auditors, regarding the reports of monitoring of emergency aid payments.



2 EMERGENCY AID

The pandemic caused by the new coronavirus (Covid-19) demanded exceptional measures from society and public authorities to face the challenges arising from it. Among the social protection measures, the Federal Government instituted, through Law nº. 13.982, of April 2, 2020, emergency aid, which consists of an assistance benefit, which aims to guarantee an income for low-income workers, informal or who carry out their activities on their own. The benefit amount was set at R\$ 600.00. Initially it would be paid for three months, but it was extended for another two months, through Decree nº. 10.412, of June 30, 2020, considering the authorization granted in article 6th1 of the law instituting the benefit.

In the items of art. 2nd2 of Law nº. 13.982 / 2020 lists the cumulative requirements that the beneficiary must fulfill in order to be entitled to the benefit. According to the requirements established by law, it appears that the beneficiaries of emergency assistance are informal or self-employed workers, provided they are of low income. In order to fulfill the low-income requirement, the law establishes that the monthly *per capita* income must be up to half a minimum wage or the total monthly family income of up to three minimum wages. In addition, the beneficiary may not have received, in 2018, taxable income above R\$ 28,559,70.

¹ “The period of three (3) months referred to in the caput of arts. 2nd, 3rd, 4th and 5th may be extended by an act of the Executive Branch during the period of confrontation of the public health emergency of international importance at Covid-19, (...).”

² During the period of 3 (three) months, as of the publication of this Law, emergency aid in the amount of R \$ 600.00 (six hundred reais) will be granted monthly to the worker who cumulatively fulfills the following requirements: I - is over 18 (eighteen) years of age, except in the case of adolescent mothers; II - does not have active formal employment; III - is not a holder of a social security or assistance benefit or a beneficiary of unemployment insurance or of a federal income transfer program, except under the terms of §§ 1 and 2, Bolsa Família; IV - whose per capita monthly family income is up to 1/2 (half) minimum wage or the total monthly family income is up to 3 (three) minimum wages; V - that in 2018, there has Receivables gone rendiment taxable above R \$ 28,559.70 (twenty-eight thousand, five hundred fifty-nine reais and seventy centavos); and VI - who carries out activity on the condition that: a) individual microentrepreneur (MEI); b) individual contributor to the General Social Welfare Scheme that contributes in the form of the caput or item I of §2 of art. 21 of Law No. 8.212 of July 24, 1991; or c) informal worker, whether employed, self-employed or unemployed, of any nature, including intermittent inactive, enrolled in the Single Registry for Social Programs of the Federal Government (CadÚnico) until March 20, 2020, or who, under the terms of self-clarification, comply with the requirement of item IV.



Thus, these workers were guaranteed, for five months, the amount of R\$ 600.00, which could be received by only two members of the same family, with the exception that the woman providing a single-parent family could receive two installments of the benefit. Given this, there was the possibility of the same family receiving three quotas: two for the provider woman and another, for example, for a child over 18 years old, which corresponded to a family total of R\$ 1,800.00.

After five months, Provisional Measure nº. 1000, of September 2, 2020, instituted residual emergency aid, for a period of four months, reducing the amount to R\$ 300.00. The aforementioned provisional measure limited the receipt of the benefit to two quotas per family, having kept the possibility of the woman providing a single-parent family receiving two quotas.

Regarding the characterization of low income, the Provisional Measure, in addition to the requirements established in the law that instituted the emergency aid, dismissed the receipt if the worker had received, in 2019, exempt, non-taxable or taxed income exclusively at the source, whose sum was greater than R\$ 40,000.00 and, also in the event of having possession or ownership of goods or rights, including bare land, on December 31, 2019, with a total value of more than R\$ 300,000, 00. The limit of taxable income R\$ 28,559.70, for the purposes of receiving the benefit, is now based on 2019. The aforementioned limitations (income and equity) extend to the dependents of the income tax declarant. As a result, Provisional Measure nº. 1000/2020 reinforced the objective of granting protection only to low-income workers.

In order to guarantee the payment of all installments of emergency aid and residual emergency aid, extraordinary credits were opened through various provisional measures, among which, nº. 937, of April 2, 2020, whose credit corresponds to the value of 98,2 billion reais and nº. 999, of September 2, 2020, with the amount of 67,6 billion reais. In total, the extraordinary credits for the payment of the benefit correspond to 320 billion reais. With that, the precept of §5º of article 195 of the Brazilian Federal Constitution, which requires prior funding for the creation, increase or extension of social security benefits and services, a system in which social assistance is included.



Under the Constitution, social assistance is the subsystem of the social security system that aims to protect those in need, regardless of prior contribution. It aims at granting a minimum that guarantees the citizen's subsistence (PIERDONÁ, 2015).

The Constitution, in its article 23, establishes the common responsibility of all federative entities in relation to social assistance, and it is the responsibility of the Unified Social Assistance System to articulate the efforts and resources of each of the three levels of government, aiming at the execution of the National Policy of Social Assistance.

The stock welfare are organized into two types of protection: basic, which is "for the prevention of social and personal risk, by offering programs, projects, services and benefits to individuals and families in vulnerable social situations"; and the special one, which is "aimed at families and individuals who are already at risk and whose rights have been violated due to abandonment" (BRASIL, 2020a).

Still, assistance benefits are granted, as is the case of "Bolsa Família" and the benefit of continued provision granted to the elderly and people with disabilities, as well as the benefit object of this work (emergency aid), all instituted by the Union.

For Greco and Ferraz Júnior (1998), in the states "with a federal structure, as important as defining who may institute a certain tax, is to specify which expenses or public services will be borne by each entity", in relation to the services and benefits that should be provided by the Union, the authors maintain:

Due to their nature, certain services are designed to be provided by the Union because they concern the values or interests of the country or society as a whole. Thus, for example, the general services of defense of the national territory, maintenance of armed forces etc; in the same sense, social security services insofar as every worker must have the same possibilities of access to social security benefits and protection against misfortunes (GRECO; FERRAZ JÚNIOR, 1998, p. 101).

Although the authors refer to social security benefits, the same understanding applies to assistance benefits, as already occurs, as mentioned above, with the benefits granted by the "Bolsa Familia" Program, with that granted to the elderly and



people with disabilities and, the most recent, emergency aid, object of the present work. To admit that subnational entities grant similar benefits would be to admit unequal treatment to people who find themselves in the same situations.

Therefore, considering the nature and purpose of the emergency aid, it was the Union's responsibility to institute protection, such as that granted through the aforementioned benefit.

According to Duque (2020), “with a broad base of eligible - estimated at 59 million by IPEA in April - the program reached around 66 million beneficiaries in August”, and, according to Covid-19’s National Household Sample Survey, the half of the population lives with at least one member who receives emergency aid. The author asserts that the program is the largest social spending experience in Brazil, with a monthly amount of resources of 50 billion reais, “that is, at least R\$ 200 billion in total - compared to R\$ 30 billion per year for ‘Bolsa Família’³, R\$ 56 billion per year for ‘BPC’⁴ and R\$ 17 billion for ‘Abono Salarial’⁵”.

It is important to note that the 200 billion mentioned does not include the necessary amounts for the payment of the residual emergency aid, although this will correspond, at most, to 50% of the value of the emergency aid, because, in addition to the value of the benefit having been reduced, other requirements of equity and income were included by Provisional Measure nº. 1000/2020.

Thus, considering the size of both the coverage and the amounts directed to the payment of emergency aid and residual benefit, the next item will analyze, although not in depth, due to the objective limits of the present work, its social and economic impacts.

³ Social program intended for income transfer actions with conditionalities.

⁴ The “benefit of continuous provision” (BPC) is the guarantee of a monthly minimum wage to the person with disabilities and the elderly aged 65 (sixty-five) years or more who prove that they do not have the means to provide their own maintenance or to have it provided by their family.

⁵ The receipt of an annual salary bonus, in the maximum amount of 1 (one) minimum wage in force on the date of the respective payment, guaranteed to employees in certain conditions.



3 SOCIAL AND ECONOMIC IMPACTS OF EMERGENCY AID

The impacts resulting from the payment of emergency aid in Brazil were notorious. The five plots represent an injection of resources into the economy of 2.5% of the country's GDP, reaching 6.5% of GDP in the Northeast (COSTA; FREIRE, 2020). The impact is so significant that statistics could suggest a social situation in Brazil during the pandemic, measured by indicators such as unemployment, *per capita* household income, monetary poverty and inequality, better than in the pre-pandemic moment, were it not for the harmful post effects of pandemic economic crisis (BARBOSA; PRATES, 2020).

According to a report published in August 2020, by “Carta Capital”, emergency aid contributed to the reduction of negative impacts on the economy. According to the report, this aid and income and employment maintenance programs had a positive impact on the economy. The aforementioned measures, with emphasis on emergency aid, “were decisive in sustaining consumer demand, guaranteeing the partial recovery of the segments of industry, commerce and services”. Despite the pessimistic scenario, indicators “show a result above expectations in important sectors of the economy” (DEUTSCHE WELLE, 2020).

The emergency aid data has been monitored by the Federal Constitutional Court (TCU). In Judgment nº. 2282/2020, regarding the third follow-up report, the aforementioned Courts of Accounts recorded that the information contained in the Emergency Aid Panel of the Ministry of Citizenship (according to consultations carried out on 08-11-2020) reveals that the mentioned benefit “reached more than 66.9 million eligible people”, which represents almost 40% of the 173.9 million people over 14 years old, according to data from National Household Sample Survey of June 2020 (BRASIL, 2020b).

In the aforementioned judgment, it was emphasized that “according to Technical Note SAGI / MCid 14/2020, the recipient citizens was initially estimated at 45.5 million beneficiaries”, well below the number above 66.9 million, an increase of 47%.



However, of the 66.9 million eligible registrations processed, the TCU estimate is that the maximum number of beneficiaries eligible for emergency assistance is 60.5 million people, which is equivalent to undue payments of 6.4 million people (about 9.6% of the recipient citizens), representing resources in the amount of 23.7 billion reais.

In addition, TCU estimates that “the number of mothers who are heads of household identified to receive double aid quotas exceeds the conservative estimates of this target audience by more than 6 million beneficiaries”, which may represent an undue payment of 18.4 billion reais, for the five plots; also estimates that “8.5 million households with *per capita* income above half a minimum wage received emergency aid”; finally, estimates that “at least 4.8 million people received emergency aid in breach of the rule of two members per family”.

The aforementioned Court found, on the other hand, that “there are citizens who meet the legal requirements and were unable to access emergency assistance”, among which, “3.3 million people who are in the Single Registry outside ‘Bolsa Família’ have the eligibility requirements and are not among the beneficiaries”.

Even disregarding the benefits unduly paid, the figures reveal a reality with regard to labor relations in Brazil, especially in relation to informality, as well as the effects of a benefit of the nature of emergency aid. This is because, in the middle of a pandemic, the lowest rate of extreme poverty in the last 40 years was reached in Brazil, falling from 14 million people (6.9%) in 2019 to 7 million people (3.3%) in the same period in 2020 (DUQUE, 2020).

For the aforementioned author, the comparisons made by him suggest that emergency aid prevented a sharp drop in the income of the poorest 40% of the country, causing them to have a large increase in income, since the replacement was greater than the losses during the pandemic. As a result, there was a reduction in poverty and extreme poverty (DUQUE, 2020).

In addition, it was verified, according to a study by Costa and Freire (2020), that the poorest and least developed regions were the most benefited by the emergency aid, as shown below:



Within the scope of the economic dimension of the program, it is possible to verify the importance of the program for economies in the North and Northeast. The estimated volume for all the states in the Northeast is more than twice the national weight, which is also verified, in a similar proportion, when compared from the mass of earnings from work. Municipal data show this trend due to the fact that 80.4% of the 1,709 municipalities with a weight equivalent to 10% or more of GDP are located in the Northeast. In terms of focusing the program, it is observed that, in regional terms, the policy was progressive, that is, for each 1% increase in the proportion of PAE n GDP, it occurs due to a 7.1% drop in the HDI of the municipality, as well as a 2% increase in IVS and 1.26% in the population vulnerable to poverty in the municipality. This indicates, with statistical significance, that the poorest and least developed regions benefited the most from the PAE (COSTA; FREIRE, 2020, p. 17).

Thus, both the reality related to informality, as well as the social and economic effects of the payment of emergency aid, must be analyzed on the various aspects, with a view to establishing appropriate public policies so that the Brazilian State can achieve its objectives set out in article 3 of the Constitution, in particular that of reducing social and regional inequalities.

In this sense, a fact that crystal clear exposes the need to maintain an assistance program, such as emergency aid, is the fact that there has been a reduction in poverty and extreme poverty, as well as a reduction in regional inequalities.

Proposals for the adoption of basic income systems have favorable positions among theorists from various economic nuances. Even notorious liberal thinkers recognize the validity of governmental actions to mitigate poverty and improve the standard of living of people in situations of poverty: "Suppose that this line of reasoning is accepted, as is my case, as a justification for governmental action in poverty alleviation; for the laying of a floor, so to speak, to the standard of living of all people in the community." (FRIEDMAN, 2014, p. 195).

In this context, it should be recorded that to model a program of cash transfers, like a basic income "is a hard task. Many relevant variables need to be taken into account. Three of them deserve a more careful examination: 1st) ownership; 2nd) the benefit amount; 3rd) the periodicity of the transfer" (PIERDONÁ *et al*, 2019, p. 406-407); and one cannot be ignored: the importance of analysis of budget costs



involved, since "a legal right exists, in reality, only when and if it has budgetary costs." (HOLMES; SUNSTEIN, 1999, p. 19).

However, the aforementioned discussion must be inserted in the context of a broader reflection, which systematically analyzes the entire social protection system, with the institution of emergency aid during the pandemic being a great panorama to measure the effectiveness of a perennial income transfer model.

4 FINAL CONSIDERATIONS

The study showed that emergency aid ensured social protection for low-income workers who carry out their work activities informally and / or on their own. It also demonstrated the high number of people who applied for the mentioned benefit, which includes citizens who would not be entitled to benefits. This reveals the absence of social responsibility on the part of the citizen who applied for the benefit, even if it does not fit the conditions established by law. It also reveals the need to improve public registers and to create a mechanism to identify the income of informal workers, since many would not be eligible to receive the benefit, if the income they earn from the informal activities was registered.

On the other hand, there are others who did not receive the benefit, but who would be entitled, as they meet legal requirements. This fact requires coordinated work with other federated entities, by the Unified Social Assistance System, even though the Union is responsible for the payment and administration of a welfare benefit that aims to guarantee a minimum income for all economically vulnerable citizens.

Even so, disregarding the benefits unduly paid, the data reveal the importance of an assistance benefit to guarantee minimum protection to those who are in a situation of social vulnerability, which allows the achievement of the objectives of the Brazilian State, provided for in article 3 of the Constitution, especially that related to the reduction of social and regional inequalities.

After all, it is imperative to conclude that in order to establish a protection model that effectively reaches the most vulnerable people, several factors



must be analyzed, among which are the resources necessary for its implementation, which is why the institution of emergency aid and the notes on your positive and negative points have been one important laboratory to be reflected on the restructuring of social protection.

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