

# **The New Developmentalism and the search for a classification of the Welfare State**

Leandro Teodoro Ferreira

## **ABSTRACT**

The classification of the Welfare State carried out by Esping-Andersen was able to establish a functional relation with the debate on the social policies adopted by countries around the world. Their typologies reverberated across the world and stimulated the development of new classifications around different regimes. At times, these efforts were directly related to the ongoing economic development models. The New Developmentalism presents itself as a well-developed economic policy trend at macro and microeconomic levels. An attempt is made here to progress in the detailing of social policies that correspond to the economic instruments. Challenges such as financialization, the transition between models, coverage expansion and support for care policies are detailed for an appreciation of a new developmental venue.

**KEYWORDS:** New Developmentalism, Welfare state, Welfare Regimes, Latin America, Coalitions

## **RESUMO**

A classificação do Welfare State realizada por Esping-Andersen foi capaz de estabelecer uma relação funcional com o debate sobre as políticas sociais adotadas por países ao redor do mundo. Suas topologias repercutiram pelo mundo e estimularam a elaboração de novas classificações em torno de diferentes regimes. Por vezes, estes esforços foram diretamente relacionados aos modelos de desenvolvimento em curso no âmbito econômico. O Novo Desenvolvimentismo apresenta-se como uma tendência de política econômica bem elaborada em nível macro e microeconômico. É realizada, aqui, uma tentativa de avançar no detalhamento de políticas sociais correspondentes aos instrumentos econômicos. Desafios como os da financeirização, transição entre modelos, ampliação de cobertura e apoio às políticas de cuidado são detalhadas para apreciação de uma nova fase desenvolvimentista.

**PALAVRAS-CHAVE:** Novo Desenvolvimentismo, Welfare State, Regimes de Bem Estar, América Latina, Coalizões

## **INTRODUCTION**

Since 1989, Sonia Draibe and Liana Aureliano have pointed that State action on social protection should be understood as:

important structural element of contemporary capitalist economies, a certain form of articulation between the state and the market, which is manifested throughout capitalist development (Ibdem)

The Welfare State (WS) classification has allowed comparison of welfare societies, including from a political, economic and institutional point of view. Today is possible:

To inquire the theoretical and historical literature on the subject, to search for analytical instruments and suggestions on how to think a certain pattern of development and consolidation of WS in a country of late capitalism such as the Brazilian (Ibdem).

This paper recaptures important elements of this classificatory debate, which gains shape from the contribution of Esping-Andersen in 1990 regarding the Welfare State in Europe. Criticisms made of this work, attempts to complement it and a profusion of typologies spread throughout the world, including Latin America and Brazil.

The integration of this type of research to the discussions on developmentalism is not new. The proposal made here is to articulate the elaborations made regarding New Developmentalism to these debates in their most current and pertinent way to our regional context. It is pointed out, for example, that New Developmentism's need to establish social platforms while propagating its views on the economy is also perceived as an element capable of bringing together the coalition's conformation around these ideas.

Additionally to this are listed more general challenges of the current regime of accumulation of capitalism and more operational perspectives on which the New Development can lay the groundwork for a proposal that expresses in terms of social policies the set of measures thought from the economic point of view.

## **ASCENSION OF CLASSIFICATION IN TYPOLOGIES**

In 1974, in discussing the meaning of social policy, Richard Titmuss refers to Brazil to demonstrate that not every form of State action related to the subject is guided

by principles of beneficence or welfare promotion. It does not even have the traditional public of such social programs as the poor, the working class, women, disabled people, children without assistance, older members of a given society and "other categories in the catalog of social poverty" (Titmuss 1974 ), as their largest beneficiaries.

His reflection tries to demonstrate that the advocated distribution by the Welfare State can, in fact, deepen social and economic inequalities between rich and poor, ethnic groups and social classes, as it notes for our case, emblematic in Latin America:

There are social insurance programmes in some Latin American countries, Brazil in particular, which function as concealed multipliers of inequality - they transfer resources from the poor to the rich (Ibidem).

The observation of this phenomenon by Titmuss bears similarity to the problematization made by Wanderley Guilherme dos Santos a few years later in his work "Citizenship and Justice: Social Politics in the Brazilian Order", from 1979. The author states that our social policies have resulted in a "regulated citizenship", a concept widely diffused and used to these days in the study of public policies. Under this classification is called a welfare regime in which the scope of social policies practiced in Brazil corresponded to an institutional model based on the occupational position of the workers, which, finally, is defined by legal rule. Those whose occupations are not recognized by formal statutes, such as laws, therefore become pre-citizens. Such an approach throws out rural workers as a whole and a large proportion of urban workers, including the unemployed, underemployed and unskilled workers to this condition prior to the guarantee of citizenship.

Wanderley Guilherme dos Santos named this mechanism as "institutional engineering", a process that "will take root in the Brazilian social order with repercussions on the country's civic culture and even on the concepts and preconceptions of current social analysis" (Santos, 1979) by promoting the reorganization of the processes of accumulation of Brazilian capitalism.

Although there is some richness in the interpretation of the origin and expansion of the WS<sup>1</sup>, Titmuss (1963, 1974) advances in the definition of models by launching a classification that allowed significant analytical developments. His work points to three WS models: residual WS, meritocratic-WS and WS Institutional-redistributive.

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<sup>1</sup> For an in-depth discussion in Brazil and around the world of current interpretive models of Welfare State prior to the 1990s, see Aureliano and Draibe (1989).

In the first model, called residual, the state organizes social protection in a way focused on the poorest, those deprived of subsistence conditions obtained through means that are considered natural, such as the market and the family itself. The second, meritocratic-particularist model, turns basically to the occupational and corporate bond of individuals, basing social protection on a structure of merit and productivity, concerned with forms of incentive and reward through social policy. Finally, the third model, institutional-redistributive, sees the social policy as a major integration institution for society, guided by universalist principles and independent of the market, especially through the provision of services in minimum levels of quality and replacement and guaranteed income form equanimity.

It is Swedish sociologist Gosta Esping-Andersen who articulates Titmuss' typologies to the realities around which the WS debate revolved in 1990, the year of publication of his book "Three Worlds of Welfare Capitalism". Basically it is considered that the institutional and political aspects that organize the political economy of the capitalist countries, as well as the distribution of forces in these countries, shapes social policies against the risks of the labor market. In the broader sense, the market itself is incorporated as a participant agent of the public provision system.

His reflection is that once the capitalist system has evolved in the process of commodification of the labor force, a process described at least since Karl Polanyi in *The Great Transformation*, social policies begin to be configured as a decommodification response to minimum level of safety and well-being of workers.

It completes the importance of the de-commodification its capacity to maintain the system, taking into account the possibility of reducing instabilities while ensuring the reproduction of the workforce. Solidarity around social policies would thus be what bonds class unity of the workers without which competition in the labor market would bring the levels of labor price, and hence of wages, to even lower levels.

The social policy that was conformed since the nineteenth century would be a determining instrument in the tension between commodification and de-commodification of its beneficiaries. It is this confrontation of forces that generates, historically, typologies of WS that mirror those proposed by Titmuss decades before. The denomination used by Esping-Andersen for the typologies I have observed out of this are of a liberal WS, a conservative-corporate WS, and a social-democratic WS.

In the liberal model, the assistance provided by the State is residual, means-tested and focused on the poorest. Benefits for the public in social programs are limited to what is strictly necessary. An arrangement is established that encourages the provision of complementary services by the market, mainly through the insurance products. The United States, Canada and Australia would have evolved into this system.

The conservative-corporative model has its grounds of social protection in pre-capitalist moments, with traditional social and even feudal institutions as a form of protection against inclement weather. This type of design for public assistance is present in many social protection systems and has gained strength as labor corporations and models such as those built under Bismarck's rule have been strengthened. Germany, Austria and France are examples of this model.

Its beneficiaries are protected from market instability especially through corporate insurance only as long as they have eligibility and contribution to it. Finally, the model that Esping-Andersen names social-democrat WS is also the model that is considered to be greater in the capacity of de-commodification, that is, protection against the fluctuations of the labor market. This is due to the broad coverage that the benefits have on the population supported on universalist principles. The access criteria and the generosity of the benefits also stand out in relation to the other models. It is important to note that this model depends on the expansion of a full employment society that supports it. The Nordic countries, recognized for their social protection systems, stand out for this type of model.

Although Esping-Andersen has been criticized for his classification models, those models organized the theoretical work and much of the research agenda around WS. Critics remain of the inability of its models to reach a wider range of countries, even if through new typologies, the inability to distinguish different levels of protection in terms of gender, among others. His great contribution, however, is to identify that behind each of the models is an arrangement of forces, supported by institutional mechanisms, that causes social policies to acquire a certain design.

Esping-Andersen, however, points out that no coalition in any institutional arrangement was able to fully implement its social policy proposal anywhere in the world, making mechanisms more aligned with one or another WS model coexist at the same time. Even at the height of laissez-faire, some level of communalism prevented

labor from becoming a full commodity altogether. On the other hand, despite being a majority in democratic systems, workers represented in large leftist parties were never able to maintain a solid coalition for periods long enough to effect changes in line with socialist ideals (Esping-Andersen, 1995) behind the construction of the Social Democratic WSs.

It is also worthwhile to understand that the welfare state as conceived for the context of the countries of Europe includes other structural elements besides those found in political forces synthesis aligned with the patterns identified by Esping-Andersen. Márcio Pochmann (2007), also in a functional analysis for our purpose, synthesizes that at least three structural, economic and institutional conditions were determinant for the conformation of the social protection system.

First, the industrial logic that implied the necessity and the emergence of forms of attention to the risks of the production systems itself. The coverage of these risks, when it comes to the conditions of reproduction of the labor force, is also possible because of this mode of production and productivity increase that, under the organization of classes, responds to the processes of accumulation with processes of economic redistribution.

A second condition is in the process of institutionalization of mass democracies. The political representation of the groups of this industrial society imposed a second form of redistribution of accumulated wealth through social transfers directed to the poorest. Such policies are capable of reducing inequalities not only because they turn to the less well-off, but also because they are financed by public funds paid for by taxes levied on the richest, who are forced to share political power, which results in the reconfiguration of funding sources for social policies.

At last, Pochmann considers structuring the formation of a salaried society able to homogenize relative standards of well-being. The full employment society would be, then, a society able to guarantee a wide reach of welfare policies from models based on social security organized in a solidary scheme, but that corresponded to the bonds of each worker with the world of work.

Philippe Van Parijs and Yannick Vanderborght (2018) add a reflection to the reality after the triumph of the social security system that emerges from this society of full employment: its incompleteness, because of the impossibility of being truly

universal, makes direct public assistance to have a significant role in the structure of social protection policies:

Countries with well-established social security systems have witnessed the emergence of modernized public assistance systems. They play a peripheral but important role by providing basic safety nets to the residual population that is not covered in any way or sufficient by the social security system (ibidem).

Thus, the need to shape public assistance to the poor in a way complementary to social security schemes is assured. The perspective of a WS that places residual public assistance as a complementary is directly linked to developed welfare systems. They also promote redistribution of wealth among the beneficiaries themselves in solidarity systems. In this case, therefore, public assistance plays a relatively peripheral role (Ibidem).

For less advanced and with a high degree of informality economies, the role of this type of assistance is considerably important. Social protection formats based on social security and, more specifically, the pension systems of these countries are not able to have an impact that can be claimed as universal. As we have seen, Santos (1979) is critical of this and goes so far as to say that this contradiction was quickly perceived in the proposals of the Vargas period, taking into account that "the apparent universality of the law in its professional division became inequality among citizens through the social security system".

## **LATIN AMERICAN AND BRAZILIAN CLASSIFICATIONS**

In search of classifications that are better suited to what is actually happening in Latin American countries, including the region's economic and political context, Sônia Draibe and Manuel Riesco (2007) advance in the attempt to formulate a classification on the WS. In their work, the authors make clear that differences within the region itself are large, including within continental countries such as Brazil and Mexico.

Even so, Draibe and Riesco point out that the composition of WS in the region was generally associated with a development perspective, often carried out through corporate sectors and in a non-democratic environment, as in the case of dictatorships, throughout the 20th century. This period was defined as Latin American Developmental Welfare State, or LADWS. As such, the role of state business (such as

railroad construction) and the state bureaucracy itself gain importance and promote institutionality capable of enforcing social policies. With some autonomy in relation to the oligarchies, sectors were able to create branches of health services, housing, and public education.

This model loses force with the advance of neoliberalism, which becomes hegemonic with respect to the modeling of social policies. The well-known agenda of this period has imposed radical transformations since the 1980s in Chile, until a shift in social policy orientation to focus on the poorest people across the continent. In general, the concern raised about this period is mainly focused on the reminiscence of a model that deliberately dismantled mechanisms of action of the developmental state.

Draibe and Riesco (2007) proposes that the protection systems strengthened by the agenda of governments with platforms of expansion of the social capabilities of the State should be evaluated in order to compose a Neo-LADWS. The authors point out that governments identified with the left in the region were then on the way to establishing a new paradigm in relation to social policies. This ideal, once again, was fueled by a legitimacy achieved by a link between development strategy and social protection. It is important to record this kind of moment in the light of what Celia Kerstenetzky (2009), for example, says about the fact that "social policy needs to be perceived as legitimate in an appropriate sense, especially by those who will pay for it." Her record from the observation of the international scenario in which well-being regimes and development processes are articulated is that

Developing countries are now looking for strategies that reconcile poverty and inequality reduction with development. Social policies - in particular, the new generation of income guarantee programs implemented in Latin America and in African countries in recent years - integrate development packages committed to these objectives (Kerstenetzky, 2009).

As a country that is part of this discussed context of Latin America, Brazil's situation could not be different. The formation of WS in the country occurred simultaneously with its arrival in modernity and the period of industrialization, as Draibe (2007) points out. The hypothesis is that the late modernization was necessarily carried out by the State, which made it possible to address the need to deal with social issues.

Draibe and Riesco point out as reflection on the social policies built in the Brazilian developmental period that they fulfilled an essential role in the constitution of

capitalism that was intended to be established. Alongside the "basic institutions of capitalist regulation, infrastructure and the bases of industrial accumulation" (ibidem), an intense socioeconomic process was responsible for shaping the business, working and middle classes, who became urban "literate and experienced improvements in their health "(Ibidem).

In the neoliberal period, in spite of the improvement of social indicators, it is evident in Brazil the reduction of the state capacities necessary for the execution of a full strategy of development and social inclusion. It is much more relevant that in this period the country has dedicated, as it still does, to the consolidation of its universal health system, a structure that for the first time extends health coverage to the previously beneficiary population differently between segmented systems. Funding and austerity, however, remain a threat to the system.

The social policy agenda that has been strengthened since Lula's election as president in 2002 demonstrated, over the years, the relevance of a discussion on inequality reduction aligned with a development project. Although this project has maintained elements, mainly of economic policy, of the government of Fernando Henrique Cardoso, has benefited from internal and external factors that made possible the mobilization of resources and was not always clear and strategically defined, it is a fact that social policies have decisively impacted the lives of a large part of the population through the articulation of these various factors (Morais e Saad-Filho, 2012).

The optimism of Draibe (2007) in the early 2000s is so much that she asserts that Brazil has favorable economic and political conditions "for the creation of a new model of social policies, imbued in a developmental context" (ibidem). Draibe classifies this model of welfare system as Twentieth Century Brazilian Developmentalist Welfare State model, "a new paradigm of development that associates growth, social cohesion, and democracy" (Ibidem). The author herself acknowledges that there are no shortcuts on the way to the consolidation of a new development paradigm and the possibility of building a WS faces the risk of being lost.

## **SOCIAL POLICIES AND NEW DEVELOPMENTALISM**

Celia Kerstenetzky (2012) proposes a simple distinction that facilitates the understanding of the association between social policy and economic policy and its relation in welfare regimes: in addition to the direct impacts that it has on the subject

of its policy, "one can also expect social policies to have economic impacts and economic policies have social impacts "(ibid), both effects being deliberately sought or not.

Lena Lavinás (2017) expresses that WS models identified in the discussion of typologies, in fact, "translate the priority articulations that come to characterize social policies within a given regime of accumulation." Her point of view is that the discussions held so far on models of well-being are simply superseded because they do not correspond in the realm of social policy to the organization of present capitalism, deeply financialized. Hence the importance of a reflection on the set of economic elaborations that can also reflect the social policy model sought in its proposition.

In his active production on New Developmentalism, Luiz Carlos Bresser-Pereira (2016a; 2016b) expresses the advance of this school of thought in relation to macroeconomics, but points out a central error that considers that "it must be avoided: to think that income is distributed through macroeconomic policy "(Ibidem).

In Bresser-Pereira's opinion, the control of macroeconomic prices is decisive in the organization of the factors that effectively impact the distribution of wealth and the inequality of the country. Thus, the correct administration of the exchange rate, profits, interest, wages and inflation would allow a microeconomic arrangement that would then generate the desired impacts in reducing inequities:

The policies supported by New Developmentalism, which are proven effective in reducing inequality, are not populist macroeconomic policies but microeconomic policies: more specifically, the construction of the social state, progressive taxation and increase of the minimum wage: only the reduction of the level of the interest rate is a macroeconomic policy (ibidem).

Although aspects of New Developmentalist theory that are strictly economic, especially on macroeconomic issues, are profoundly known, the reflections on what exactly the so-called social state would be are not systematically exposed. There are, of course, basic definitions at a level not so detailed as that of discussions on typologies, such as that offered by Lena Lavinás (2017) that a welfare regime, whatever it may be, is characterized by:

a set of social policies devoted to solving risks, preventing poverty, alleviating inequalities, tackling the uncertainties inherent in economic

cycles, equalizing opportunities and making social justice an ally in the search for efficiency (Lavinás, 2017).

It is sought here to concisely gather relevant contributions that have already been made, reflecting on them in the face of the extensive literature on WS in the world, in Latin America and in Brazil. Bresser-Pereira (2016a), for example, affirms that New Developmentalism "is necessarily social, and therefore defends active policies to reduce inequalities." However, it is inquired what policies are these, before pointing a path:

it is not fiscal expansion as a magic solution to all problems, much less austerity in all circumstances, but the increase in social expenditure of the state and its financing through a system of progressive taxes (Bresser-Pereira, 2016a).

It is well understood that the proposal for the minimum wage is concerned with its increase in the long term. Added to this is a tax burden responsible for the financing of large universal social services that can reach relatively high but necessarily progressive levels. Apart from this, the guarantee of universal rights, such as health, education and a dignified old age, is widely proposed. It is also possible to obtain clues as to the configuration of a welfare regime under New Developmentalism in understanding the association between the reforms of state relations, technical progress and education:

In the New Developmentalist view, the existence of a state-entrepreneur and a protectionism of the internal market, in the molds of the past, no longer makes sense, as in the current stage of Brazilian productive development. New Developmentalism does not propose the reduction of the state, but its reconstruction, making it stronger, and more capable in the political, regulatory and administrative, as well as financially sound. It also proposes a national development strategy that promotes policies aimed at technical progress and the introduction of new production techniques, the development of national investment financing mechanisms, economic policies that reduce the uncertainties inherent in the financially globalized world and the development of specific adequate institutions (such as the development of human capital through public education) (Oreiro and Paula, 2012).

The "Ten theses on new developmentalism", elaborated in 2010, have additional elements beyond those described above. Thesis 5 reflects on the low increase in wages in the face of increased productivity in developing countries, and points to the establishment of a minimum wage, income transfers to the poorest and, above all, a government guarantee of employment at a subsistence wage as a way of neutralizing this problem. Also the thesis number 10 points to the search for full employment as one of the objectives of New Development.

## **A SOCIAL AGENDA FOR NEW DEVELOPMENTALISM**

The formulation of a social agenda for New Developmentalism, as in the case of the economic agenda, can and should be permanently debated. This paper brings together elements of social policy found in the literature, both on the school of thought and WS, which can help to shape a welfare regime of its own. It extends the social reach of State actions beyond administration of macroeconomic prices such as wages, and the application of mechanisms at the microeconomic level, as in the case of the necessary progressive tax reform.

It is necessary to take into account what is often expressed in the New Developmentalism literature: the need to build a broad coalition that involves entrepreneurs, workers and public bureaucracy in the negotiated application of the mechanisms listed here. Unity around long-term commitments is fundamental in contrast to the coalition of liberal classes composed of rentiers, financiers, and foreign interests.

In this respect it is necessary to take into account that among the politically critical situations is the proposition of raising profits and maintaining or even reducing wages with the objective of recovering the investment from internal resources. The workers' short-term interest, although it may be in contradiction with measures that could bring them greater benefits in the future (Bresser-Pereira, 2016a, 2016b) ends up being contradicted from this type of measure. It is the kind of variable that compromises the coalition needed to achieve long-term goals.

The deepening of a proposal for a New Developmentalist welfare model can represent the glue that holds together seemingly antagonistic interests. Explaining what is expected in terms of social policies corresponding to the macroeconomic mechanisms described so far can broaden the willingness of working classes to

participate in the coalition necessary to undertake a New Developmentalist administration. Draibe and Riesco (2011), for example, consider that:

the advance of Latin America in its nascent 21st century development strategy will be determined mainly in the political space, as far as it is possible to establish, in a stable way, a social and political alliance as the one that propelled the developmentalism of the twentieth century ( Draibe and Riesco, 2011)

The need to promote such coalitions is not exclusive to this proposal. As we have seen, the very typologies used by Gosta Esping-Andersen in his classification of WSs are based on the conformation of political forces of a given country. Kerstenetzky (2012) points to the same issue in stating that

the specific format of each welfare state seems to respond to essentially political variables. In particular, the variation of institutional repertoires, observed among existing welfare states, would correspond to variations in class coalitions that dominated the political history of different countries (Kerstenetzky, 2012).

Bring to the table of the coalition debate the disposition for the elaboration of a deep social platform on the New Developmentalism is the primordial agenda to conform the own coalition in a solid and effective way. Key players need to come to express this as entrepreneurs of this set of ideas and political leaders of this process. While members of this broad field of thinking share common beliefs in the broadest sense, such as in defense of diminishing inequalities and democracy, the specific literature on Advocacy Coalition in the field of public policy, for example, demonstrates the need that in an intermediate level, large beliefs may find expression in the form of state action (Jenkins-Smith and Sabatier, 1993) to maintain active coalition movement.

Of course there is a contradiction between positioning itself as a school of broad thinking and coalition that acts in a traditionally organized way. It is necessary, however, that even from a more theoretical point of view, the exercise around an attractive platform for the working class (here imagined in a broad sense, including mainly the unassisted ones) is realized. The expectation of those who add to defense of a set of measures expect not only to participate in them, but also to reap the political fruits that come from them in the case of success.

It is worth noting that it is not a matter of collective elaboration by means of great processes as it is obligatory in traditional leftist organizations. Instead, it is only necessary to identify the set of measures that characterize a New Developmentalist welfare regime. From it, carry out the negotiation and convincing effort of those identified as adhering to the broader ideals defended within a social and political field.

In addition to this point regarding the importance of the social agenda that helps define a model of welfare regime for New Development that can bring together the coalition around it, a series of points are raised below. This approach could be considered in the light of social sciences and economists' reflection on WS models, some of them already identified in the discussion on macroeconomics.

- Progressive tax reform and ability to mobilize resources

There is no discussion about adjustments and reforms of the economic system that can escape the discussion of tax measures. Moreover, there is hardly any divergency that such measures should move towards a fairer balance in terms of the distribution of the tax burden. New Developmentalism has never failed to point to this need, including because the regressive effects of current tax systems on social issues are well known. International agencies such as the IMF have pointed out through econometric calculation that only reform in a more progressive sense would already be able to reduce inequalities significantly in several countries, including Brazil (Fiscal Monitor, 2017).

It is worth noting, furthermore, that the authors of discussions on WS, including in the perspective of development models, also point to these issues. For Draibe and Riesco (2007), the fact that there is little room for increasing spending levels, already compressed by social spending, especially social security, the way to raise the necessary resources to undertake a new cycle of social policies should point to a reconfiguration of the tax burden, especially in the sense of making it more progressive.

Thus, the dual role of reducing inequalities through a fairer incidence of taxes is achieved, while at the same time mobilizing more resources for social policies, something of fundamental importance for the consolidation of an effective WS of any nature.

- Financialization, collateralization and re-commodification of social policy

Financialization has been discussed for some time in the context of social policy (Lavinás, 2018). It is not exactly a process of simple indebtedness of individuals and families, but rather of a market advance on the provision of public services, especially in the form of insurance, using the institutionality that allows social policy serve as collateral, that is, as a guarantee, in the taking of services. This process was called by Lavinás of credit for welfare.

This process has certain characteristics that are compulsory insofar as the deregulation of basic services previously rendered in an entirely de-commodified form is necessarily acquired in the private market, such as education, health, housing and so many others. The financial market, together with providers of these services, widens the range of products of this nature more and more, ranging from payroll-deductible credit itself to health services that need better regulation with regard to the supplementary network.

It is not a simple phenomenon. It lacks better detail, in particular, in the identification of the economic mechanisms related to the forms of accumulation of present capitalism. This logic that transcends boundaries ultimately determines, in fact, a corresponding welfare typology, which Soederberg (2013, apud, Lavinás, 2017) calls Debtfare State. This arrangement raises doubts about the possibility of even existing any typology, model or welfare regime that is free of this logic.

It is a challenge for New Developmentalism to deal with this situation not only to be able to regulate and adjust with greater social effectiveness the macro and microeconomic mechanisms in favor of the majority of the people. Basically, the beneficiaries of this movement towards financialization are those part of the coalition of the liberal classes as rentiers and financiers. It is necessary to set in motion the capacity to elaborate New Developmentalism in order to at least rebalance these forces.

At the end of the day it is a question of avoiding or at least reducing the advance of the market on the ground of the tension between mercantilization and de-commodification. Otherwise, the result will be (in fact already is) re-commodification through social policy.

- Transition between welfare regimes

Another issue to be observed with regard to the formatting of social policies is the transition between different models that guide the actions of the State. Even in the model of Esping-Andersen already it is pointed out that WS in real life did not mirror any finished model. On the contrary: Esping-Andersen (1990) called WS of the real world a combination of several orientations. Depending on the history and institutional conditions of each country, it was that a regime was built along the lines of clearer models.

The reality, therefore, is that different orientations persist for the same set of social policies, and we must deal with the consequences of this fact. Among them is the inevitable ambiguity, overlap, inefficiency and so many others. More than this, a pattern of path dependence (Pierson, 1994; 2000) is imposed, on which it is always possible to deepen a discussion of causes and effects, which conditions the possibilities of transition between models. Among the effects are also related to the process of path dependence, the dismantling of state capabilities in periods such as the neoliberal ideology, something also pointed out by Draibe and Riesco (2007).

- Reducing the gap between full coverage and residual policies

As we saw briefly, WS constituted social policies based on full social security that could offer coverage through different options, such as the provision of private insurance purchased in the market or the direct benefits offered by the market. Public attention for the poorest has been set up in a residual arrangement, even in systems constructed in the perspective of social democracy.

The reality of developing countries in Latin America, for example, is not that of building universalist systems in what could be considered full coverage. At most, as Wanderley Guilherme dos Santos (1979) has shown, a regulated citizenship was established based on the occupational bond, markedly corporatist, therefore. Reducing inequalities in Brazil and other developing countries means ensuring full coverage through social policies for a larger group of people today below the poverty line.

The Bolsa Família program, which has a tremendous impact on poverty, started in the Lula Government, is often highlighted as an example of a successful social policy, following the evolution of a myriad of minimum income programs that have multiplied in Brazil in the 1990s. What the program reveals, however, is the fact that 14 million families are benefited by a program destined for those who today receive up to R \$ 178.00 per capita per month. It means that we have a condition where about a

quarter of the entire population, more than 50 million people, lives in conditions of terrible deprivation. Bolsa Família is residual in the social and economic policies existing in Brazil. It attends with low values to a population that has not accessed through any employment relationship, much less by means of market acquisition, any kind of social protection.

Regardless of the orientation followed in the construction of a WS in Brazil, it is necessary to reduce the distances between those who possess a full coverage of social policies and this enormous public served in a residual way - with recognized success, also in function of the articulation and coordination with other services with universal characteristics.

- Strong support for care, childhood and gender equality policies

If there is a criticism that has strikingly reached Esping-Andersen in his classification, in the terms of the discussion that he himself carries out, this is the one related to the gender cut of social policies. Their classification did not absorb the differentiated form, for example, the countries give attention to the pregnant and nursing women, to the differences of time of social security contribution, etc. So much so that Esping-Andersen publishes, in 1999, "Social Foundations of Postindustrial Economies", in which he looks for to analyze exactly this type of thing.

Bolsa Família itself owes much of its impact to promoting better conditions for women and having children as the focus of their policy. In addition to entitlement to benefits, a clear decision in favor of childcare, especially through policies for the expansion of early childhood education (Kerstenetzky, 2012) is decisive in order to give women greater autonomy and productivity. In the same sense, the attention to the elderly, either through the guarantee of income, or through care with their time and health are decisive to "defamiliarize" the woman as responsible for the attention to family members.

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health are decisive to "defamiliarize" the woman as responsible for the attention to family members.

As Kerstenetzky (Ibidem) pointed out in the literature on the subject, a market was generated in which these same women could obtain employment in positions that were then despised by the male public, but today are those less impacted by transformations in the labor markets that involve the continuous introduction of new technologies and eliminate jobs. Moreover, the gains related to the study from an early age represent an opportunity to advance greatly the preparation of the citizens for an education that also favors the technical and educational progress of the country as a whole.

- Latin American international regional integration

The analysis of the evolution of social protection systems in developing countries, from the classic developmental periods in Latin America, for example, identifies characteristics common to countries that undertake development projects. This is also true for social policies.

International regional integration is a time-bound challenge, but one that needs to be considered in terms of the thinking behind this section: if social policies have economic impacts and economic policies have social impacts, this is certainly true for a regional context. The socioeconomic advancement of neighboring societies, especially in a shared developmental program, brings together not inconsiderable common characteristics. New Developmentalism must keep this in mind in order to establish a fruitful relationship among nations so that contexts strengthen each other. This does not mean, however, the constitution of homogenous coalitions at the continental level, but the international republican conviviality between the forces that shape social and economic policies in their national context.

Also excluded from this analysis are central aspects for the elaboration of a new cycle of public policies and development, mainly related to the preservation, valorization and sustainable exploitation of the environment and natural resources on a framework not yet fully established in the economy world. In the same way, a more in-depth elaboration should be carried out regarding public bureaucracy and its relationship with the market and social actors.

## **CONCLUSION**

This work carried out an effort that considers functional for the construction of the New Developmentalism project: the beginning of the characterization of a welfare regime corresponding to this project and school of thought, where the economic debate has advanced with vigor, especially in the macroeconomic formulation. This assumes, thus, the actuality of the discussion about WS. It is true that Brazil and the developing countries have not constituted a welfare regime in the image and likeness of any of the classic categories that organize this debate at least since Esping-Andersen (1990).

It is for this reason that we sought to recover part of the debate on the welfare economy that has taken place around the characterization of the Latin American and Brazilian WSs, especially when openly linked to the debate on developmentalism, neoliberalism and New Developmentalism. It also assumes a favorable environment for social policy considerations in conjunction with economic policy in a development context that seems to be especially fruitful, as Sônia Draibe and Manuel Riesco (2007) argue in this regard.

Whatever the formatting that this set of actions of the State can assume, it is considered that it is the product of a configuration of forces and coalitions over a sufficiently long period to express through its constructed policies its broader program. The same reasoning is openly worked out as regards the measures necessary for the achievement of a New Developmentalist project, which is concerned with the formation of coalitions involving entrepreneurs, workers (broadly speaking, involving, in general, the unserved) and a committed public bureaucracy.

The very foundation of an economic and social policy can be object of appreciation, negotiation and agglutination of the own coalition, being able to express the desires and expectations of its participants. Thus, a set of initial concerns for the New Developmentalism was proposed in order to advance what had been discussed until then. Worry about wages, levels of employment, price levels and interest have hitherto occupied much of the debate on the need to reduce inequalities. Added to these elements is the need to adapt the tax system to more progressive forms that also allow the direct reduction of inequalities and make it possible to finance the actions of the State. In addition, generalist statements on education, health and technical levels are also present in the debate so far.

The first and most important concern that is further proposed is regarding the formatting of the New Developmentalist coalition itself. This is followed by questions

ranging from a broad concern with capitalism and the internationalism of socio-economic issues to gender and family care issues. The expectation is that this proposal will be debated, criticized, perfected and, perhaps, welcomed within the group that advocates the proposal of a new cycle of economic and social development.

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