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Trajectory of social spending, poverty and inequality in Ceará from 2008 to 2021

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Abstract

The State, through public policies, must ensure that the fundamental social rights of citizens are met, aiming at social well-being and the reduction of inequalities in all its forms. This investigation seeks to measure and analyze the trajectory of social spending in Ceará, as well as aspects of poverty and inequality, between 2008 and 2021. For this, an exploratory-descriptive methodology was used, using secondary data from the website Compara Brazil, the Brazilian Institute of Geography and Statistics (IBGE) and the Institute for Research and Economic Strategy of Ceará (IPECE). In general, even as a result of state development policy, social spending in Ceará has a behavior linked to the national situation, even when looking at spending by function. Regarding inequality, Ceará adheres more to recovery or recession situations, compared to regional and national performance. Poverty reacts better in adverse conjunctures, from 2014 to 2019 and in the pandemic year of 2020. The current fiscal austerity scenario, since 2016, and the trend of lack of responsibility of the State, excluding the pandemic period, represents a limit to the return of downward trend in the poverty and inequality conditions, experienced until 2015, constituting, in addition, an obscure scenario for the exercise of social policy in the country.

Keywords: Social policies; inequalities; poverty; development.

Trajetória dos gastos sociais, pobreza e desigualdade no Ceará no período de 2008 a 2021

Resumo

O Estado, através das políticas públicas, deve garantir que os direitos fundamentais sociais do cidadão sejam atendidos, objetivando o bem-estar social e a redução das desigualdades em todas as suas modalidades. Esta investigação busca dimensionar e analisar a trajetória dos gastos sociais no Ceará, bem como aspectos sobre pobreza e desigualdade, entre 2008

e 2021. Utilizou-se, para isso, uma metodologia de base exploratório-descritiva, por meio de dados secundários do site Compara Brasil, do Instituto Brasileiro de Geografia e Estatística (IBGE) e do Instituto de Pesquisa e Estratégia Econômica do Ceará (IPECE). De maneira geral, mesmo sendo resultado da política de desenvolvimento estadual, os gastos sociais no Ceará apresentam um comportamento atrelado à conjuntura nacional, inclusive quando se observam os gastos por função. Relativo à desigualdade, o Ceará adere mais às conjunturas de recuperação ou de recessão, em comparação com o desempenho regional e nacional. A pobreza reage melhor nas conjunturas adversas, de 2014 a 2019 e no ano pandêmico de 2020. O cenário de austeridade fiscal em curso, desde 2016, e a tendência de desresponsabilização do Estado, exclusive o período pandêmico, representa um limite para o retorno da tendência de queda das condições pobreza e desigualdade, experimentadas até 2015, constituindo, adicionalmente, cenário obscuro para o exercício da política social no país.

Palavras-chave: Políticas sociais; desigualdades; pobreza; desenvolvimento.

Trajectory of social spending, poverty and inequality in Ceará from 2008 to 2021

Resumen:

El Estado, a través de políticas públicas, debe garantizar que se cumplan los derechos sociales fundamentales del ciudadano, visando el bienestar social y la reducción de las desigualdades en todas sus modalidades. Esta investigación busca medir y analizar la trayectoria del gasto social en Ceará, así como aspectos de pobreza y desigualdad, entre 2008 y 2021. Para ello, utilizó una metodología exploratoria-descriptiva, por medio de datos secundarios del sitio web Compara Brasil, del Instituto Brasileño de Geografía y Estadística (IBGE) y del Instituto de Investigación y Estrategia Económica de Ceará (IPECE). En general, a pesar de ser resultado de la política estadual de desarrollo, los gastos sociales en Ceará muestran un comportamiento adjunto a la coyuntura nacional, incluso cuando se observan gastos por función. En cuanto a la desigualdad, Ceará se adhiere más a la recuperación o recesión, en comparación con el desempeño regional y nacional. La pobreza reacciona mejor en circunstancias adversas, de 2015 a 2019 y en el año de pandemia 2020. El escenario de austeridad fiscal en curso, desde 2016, y la tendencia a la desresponsabilidad del Estado, excluyendo el período de pandemia, representa un límite para el retorno de la tendencia a la baja de la pobreza y la desigualdad, experimentada hasta 2015, constituyendo, además, un oscuro escenario para el ejercicio de la política social en el país.

Palabras clave: Política social; desigualdades; pobreza; desarrollo.

1 Introduction

The debate about social policies in Brazil has been gaining prominence, provoked by the evident levels of economic and social vulnerability of a substantial part of the population, reflected in a perverse inequality in the distribution of income and opportunities for economic and social inclusion.

For Castro (2012), social policies have the purpose of affecting the social situation of individuals, families and social groups, inducing improvements in the quality of life of the population and, at the same time, given its dimensions, changing the economy and the autonomy of a country, thus becoming a fundamental element for the process of national development. The fact that some of the developed countries managed to achieve significant reductions in inequality and in the level of poverty through the expansion of social policies reinforces this idea.

According to Kerstenetzky (2014), the trajectory of social policies in Brazil evolved from a collective insurance scheme, introduced in the 1930s, to the

conception of a social security with universalizing characteristics, in the Federal Constitution of 1988, and towards a rising social spending. The redemocratization of the country, whose symbolic landmarks were the National Constituent Assembly (1987) and the enactment of the new Constitutional Charter (1988), represented a significant advance towards the universalization of social rights, through a significant change in the social intervention of the State.

Despite the fact that the 1980s and 1990s were strongly marked by adverse economic circumstances, especially the external and internal debt crisis that plunged the Brazilian economy into near stagnation, the political impulse represented by redemocratization managed to advance the agenda of social rights (KERSTENETZKY, 2012). In fact, the 1990s witnessed an increase in social spending with an important effect on reducing inequality.

The decade between 2003 and 2014 witnessed the greatest historical reduction in absolute poverty in almost four decades in Brazil. The 18 percentage point drop made the poor population retreat to one tenth of the total population (KERSTENETZKY, 2017). These accomplishments were driven, in large part, by the expansion and redefinition of social policies that enabled the country's progress on several fronts. The climate of political and macroeconomic instability, ongoing since 2015, especially in the scenario of institutional rupture in 2016, when Dilma Rousseff was impeached, threatened the progress made, determining a new inflection in the trend of indicators that measure inequality and poverty in the country.

Despite advances in the literature, studies involving politics, social spending and inequalities in subnational spaces constitute an open field, especially because these spaces react differently to the set of transformations underway since the last decade of the 20th century. This paper is a contribution to that literature.

Ceará reproduces the historical patterns of poverty and inequality that are a characteristic of the Northeast region. Despite the advances recorded in the 2000s, resulting from public policies implemented in all spheres of government, poverty and significant income inequality still persist in the state, accompanying the Brazilian dynamics. Despite being partially conditioned by state development policies, social spending are also determined by the national situation. Thus, this investigation seeks to measure and analyze the trajectory of social spending in Ceará, between 2008 and 2017. It is worth pointing out that government policies in the social sphere would have the purpose of asserting themselves as a possibility “of facing poverty, by guaranteeing resources to poorer families, allowing them to meet minimum social demands, thus giving them possibilities for economic and social interaction in the market” (RODRIGUES; ALVES; PAULO, 2012, p. 206). According to this point of view, it is worth highlighting, additionally, relevant traits of aspects of poverty and inequality in Ceará, for the period from 2012 to 2021¹.

This work used an exploratory-descriptive methodology, supported by secondary data available on the *Compara Brasil* website, from the Brazilian Institute of Geography and Statistics (IBGE) and the Institute for Research and Economic Strategy of Ceará (IPECE).

¹The limitation of the period of analysis of social expenditures is due to the restricted availability of data by the *Compara Brasil* system: only up to 2017. However, poverty and inequality were analyzed up to 2021, according to the availability of the Continuous PNAD.

The paper is composed of three sections, in addition to this introduction, namely: in the first section, discussions about inequality and social policy are presented. It follows with results and discussions, highlighting the evolution of social expenditures in Ceará, analyses of expenditures by function and aspects of inequality and poverty in the state, followed by final considerations.

2 Social policies and inequality: contributions to recent trends

For Chancel (2019), the last two decades of the 20th century have attracted renewed interest in issues of income and wealth distribution, especially in advanced economies, which have been experiencing an increase in income inequality, after a historic decline in the 20th century². In addition, public opinion in rich countries is increasingly concerned about the distribution of the growth of certain inequalities.

Since the 1970s, there has been a series of structural transformations that include a reorganization of the productive forces and the model of accumulation; slowdown in economic growth in central countries, systemic crises involving the world of work and the environmental issue, which result in increased inequalities and social asymmetries. In this context, with increasing social risks, social demands increase and certain functions of social policy grow in importance, signaling a reorientation of strategies (KERSTENETZKY, 2014).

The wide and long international experience confirms that social policies act not only in specific cases and social situations but are a fundamental part of a development strategy. According to Atkinson (2015), among developed countries, no relevant trajectory of reduction of inequalities is known that has not been accompanied by increased spending and denser institutionalization in social policies.

In Latin America, economic inequalities remain profound; on the other hand, the recently experienced scenario of redistribution suggests that the distributive problem continues to retain importance, despite the increase in social spending and the tax burden, the use of more universalistic social policies in conjunction with policies focused on the poor and the consequent reduction of inequalities (KERSTENETZKY, 2012).

Despite internal crises and external shocks, since the exhaustion of the development model based on import substitution, in the late 1970s, there has also been an expansion of policies and social spending in Brazil, in response to old and new social risks. In the late 1960s and 1970s, considerable levels of economic growth and inequality coexisted³. From 1964 onwards, a new era in Brazilian social policies was inaugurated; Kerstenetzky (2012) calls this set of policies “basic universalism”: massification, without effective universalization, with unequal expansion of

² For Piketty (2014), the increasing levels of inequalities in the last decades of the last century and the beginning of this one indicate that certain wealth inequalities, which were thought to have disappeared, seem to be about to return to their historical peaks, or even to surpass them, in the context of the new global economy.

³ The existence of a dictatorship partly explains the economic and social situation at that time. Despite the increase in social spending in the period, which practically tripled between 1960 and 1980, already reaching the level of 9.2% of a robust GDP, the economic model adopted generated an increase in inequalities (BONELLI; RAMOS, 1993). The Gini of the income of the economically active population increased from 0.500 (1960) to 0.568 (1970) and 0.590 (1980) (KERSTENETZKY, 2012).

protection and opportunities. Souza (2018) highlights the worsening of inequality in the first decade of the dictatorship, when the fractions received by the richest returned to the level observed in the early 1950s. Income inequality increased in the 1970s, with less intensity and a brief fall between 1976 and 1981, and more strongly in the 1980s. That is, inequality increased in periods of growth and also in periods of stagnation.

In the 1980s, the movements that consolidated democracy and articulated the organization of workers, associated with the emergence and affirmation of social movements, played a decisive role in outlining new social demands and for citizenship, being fundamental to outline a new design for the protection social rights in Brazil, embodied in the Constitution of 1988. After 1988, there was an advance in social rights, which recognize greater autonomy in the field of social policies, thanks to the impetus of the new Constitution.

In the 1990s, there was a significant expansion of social spending, closely related to the apparatus guaranteed by the Constitution of 1988⁴, and public responsibility for financing social policy was significantly expanded, bringing, as a consequence, increased spending and an important effect on reducing inequality.

Between 2004 and 2014, the country followed a path of economic growth and social progress. Brazil showed an acceleration of growth supported, to a large extent, by the expansion of social policies and spending, with unprecedented results in the consistent reduction of poverty and inequality. According to Kerstenetzky (2012), the fundamental novelty is in the interaction between social policies and economic policies, in a model of “redistributive growth”. Souza (2018) adds that, after 2003, the continuation of the decline in inequality and the return of economic growth led to Brazil being celebrated as a rare case of development with redistribution.

Brazil witnessed a substantial process of redistribution throughout the 2000s, in the historical perspective or context of the history of redistribution in the world. For Kerstenetzky (2017), poverty and inequality in income distribution have shown historical declines, substantial also in comparison with the international experience of developed and emerging countries.

The significant reduction in poverty and inequality over the first decade and a half of the 21st century is linked, in large part, to the social policies put into practice in Brazil, which enabled the country to advance on several fronts, in addition to those that had already been operating since the Constitution of 1988. The extension of the protective scope of social policy has been manifested through various government interventions. In this context, social policies began to be worked on and guided by the need for effectiveness in social spending and greater effectiveness of programs and actions, assuming a strategic role in national development, through its results in the expansion of justice and social cohesion, growth and income distribution, reaffirming itself as indispensable and strategic, not only to face adverse conjuncture situations, but also to create the foundations for building an economically and socially stronger nation (KERSTENETZKY, 2012).

⁴Between the enactment of the Constitution of 1988 and 2008, real social spending practically tripled, growing almost twice as fast as output and population. In the 1980s, the biggest leap is from 1988. Social spending as a proportion of GDP surpassed 20% in 2008 (KERSTENETZKY, 2012).

Despite the advances made, the country still lives with a significant contingent of the population in a vulnerable situation and with a precarious supply of public services, reflected in the fact that investment in social policies remains a constant demand of social movements. The possibility of significantly reducing inequalities depends, while not exclusively, on the inflection of social policy towards universal provision and higher quality of public social services (KERSTENETZKY, 2017; SOUZA, 2018).

However, the virtuous cycle seems to have run its course amidst the political and economic crises of 2014–2016. It is not possible to say that the population broke with the agreement of 1988 and the demand for social rights that underpinned it, but the prospective scenario of social policies is not encouraging. After significant progress, from 2015 onwards there is a return to the past, in the incidence of poverty and extreme poverty and inequality. For Souza (2018), the first signs of deceleration in the decline of inequality appeared in the National Household Sample Surveys (PNADs) already in the early 2010s, and, more recently, the reversal in the economic and political scenario was responsible for deepening the rate of decline and the reversal of inequalities, with a clear turnaround in social policy. Emphasis on the conservative agenda in economic and social terms, which is consolidated in the approval of constitutional amendment No. 95 and the labor market and social security reforms⁵, which seek to reduce social expenses and, also, the role of the State in the functioning of the markets (KERSTENETZKY, 2017; PASSOS; SILVEIRA; WALTEMBERG, 2020).

3 Results and Discussions

3.1 Evolution of Economic Growth and Social Spending in Ceará, the Northeast and Brazil

The period of analysis of social spending (2008-2017) is preceded by a significant expansionary cycle in Brazil (2004-2008), through a regime of economic growth with income distribution. This cycle is fueled by more flexible spending and credit policies and the reversal trend in interest rates, in addition to an inclusive policy that boosts domestic consumption, involving an increase and greater scope of social programs, notably cash transfers and a policy of continuous appreciation of the minimum wage (CACCIAMALI, 2011; CACCIAMALI; TATEI, 2016; ALVES *et al.*, 2020). This set of characteristics led to a virtuous cycle of economic activity and income growth between 2004 and 2008, with an increase in formal employment and a persistent decrease in income concentration and poverty (CACCIAMALI; TATEI, 2016, p. 103).

There is still an expansion of public and private investment and productivity gains, in a scenario where inflation remains in control according to targets established by the Central Bank, accompanied by the accumulation of international reserves (BARBOSA; SOUZA, 2010). The performance of the Brazilian economy is also

⁵The labor market reform was enacted in the Temer government (2017), and the social security reform, in the Bolsonaro government (2019).

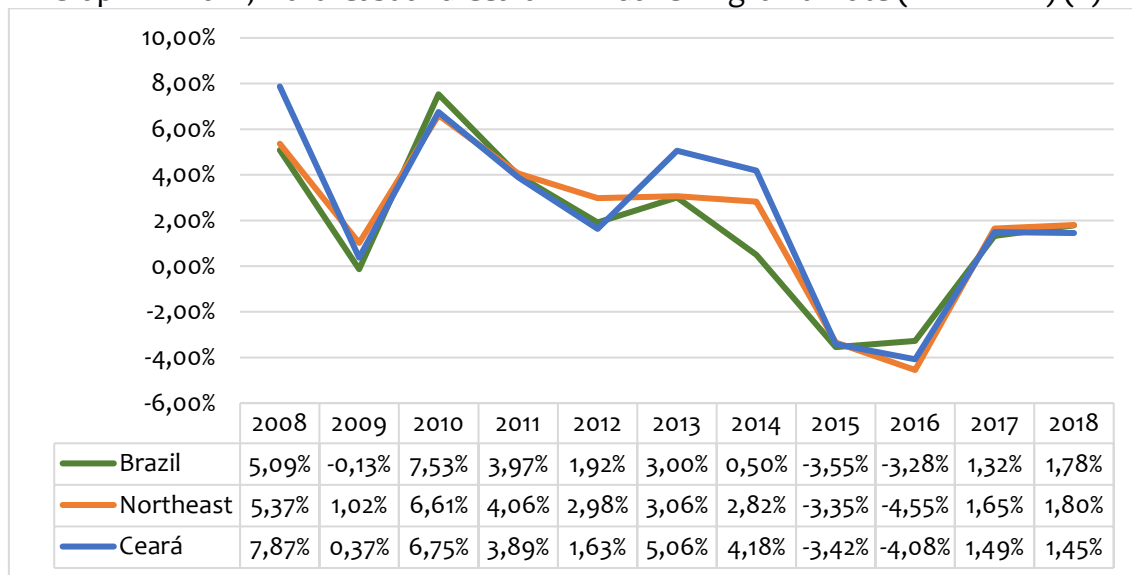
linked to the growth trends of the world economy, expansion of liquidity and appreciation of agromineral commodities (OLIVEIRA, 2014). Cacciamali and Tatei (2016, p. 107) highlight favorable terms of trade for commodity exporting countries that now account for most of the world growth, “due to the negative economic performance caused by the international financial crisis that had hit hard the most developed countries”. The China Effect is also highlighted, whose growing and expressive demand contributes to the rise in prices of multiple types of commodities (SERRANO, 2013). The results are felt in the performance of the economy, which grows at 4.8% per year between 2004 and 2008, and in the continuous improvement of the average income, which grows at 10.4% in the period (IBGE, 2022). Also, the better performance of the economy and the labor market favor the deconcentration of work income and family income (BARBOSA *et al.*, 2015)⁶.

There was a consistent reduction in the Gini Index between 2001 and 2015, to which several determinants contributed: improvement in the labor market, with a significant increase in formalization; the effects of the minimum wage appreciation policy; the combination of the main income transfer instruments (social security, non-contributory pensions (BPC) and *Bolsa Família*); the redistributive effect of fiscal policy, reflected in the improvement in the ability to execute public spending (DWECK; SILVEIRA; ROSSI, 2018).

The year 2008 is marked by the outbreak of the subprime crisis in the world's largest economic power, which will generally lead to long periods of economic recession. However, the effects would be felt, explicitly, in 2009, when the Brazilian GDP fell by 0.13%. In general, Latin American countries, although they had banking systems associated, to a lesser extent, with excessive volumes of insolvent securities in the US real estate credit market, felt the effects of the crisis through the retraction of the region, especially through the contraction of exports and by the lack of international liquidity, that is, contraction of the international supply of credit. Despite the economic downturn in Brazil “having a greater impact on regions where economic activity was more dynamic and associated with the international market, such as the Southeast region” (CACCIAMALI; TATEI, 2016, p. 111), the set of regions and subnational states experienced the effects of the recession on the Brazilian economy, with investment being the component most affected by the crisis (-17.4% contraction) (DOMINGUES *et al.*, 2010). In Ceará, the contraction in the level of activities was mainly driven by the industry and construction sectors (DOMINGUES *et al.*, 2010). In regional and state terms, GDP growth in that year corresponded to 1.02% and 0.37%, respectively. The dynamics of the Brazilian economy therefore has repercussions on the Northeastern and Ceará economies (Graph 1).

⁶In a research on the decomposition of the Gini coefficient, between 2001 and 2011, Cacciamali, Tatei and Camillo (2015) demonstrate that the main contribution to the drop in the coefficient came from labor income, corresponding to around 52%, followed by retirement with 25%.

Graph 1 - Brazil, Northeast and Ceará - Annual GDP growth rate (2008-2018) (%)



Source: IPECE (2021) and IBGE (2021).

Data from *Compara Brasil*⁷(2021) show that, despite being partly conditioned by state development policies, state social spending is also sensitive to the national situation and its repercussions in sub-regional spaces. Even in the face of the crisis that marked the domestic economy in 2009, in the midst of the stagnation of the economy in Ceará, social spending maintained a pattern of growth (11.95%) above the growth of the state's GDP, reflected in the increase in its share in the GDP to 10.34% (2010). Despite a significant increase in Current Revenue (7.83 pp), the share of social spending in total expenditure remains practically unchanged (increase of 0.47 pp) (Table 1).

⁷Compara Brasil data are consolidated information from government agencies derived from the Summary Reports on Budget Execution (RREO). The website does not present data after 2017 in the item "Revenues and Expenses", due to changes in public accounting promoted by the National Treasury Secretariat, which prevents the comparison of the new series post-2017 (COMPARA BRASIL, 2021).

Table 1 - Ceará - Evolution of social spending (2008 – 2017)

YEAR	Social spending (Annual variation) (%)	Current income (Annual variation) (%)	Social spending/ Total exp. (%)	Social spending/ GDP (%)	Per capita social spending	Social spending/ Current revenue (%)
2008	0.00	-	68.66	9.80	1,407.10	52.25
2009	11.95	2.56	53.82	10.34	1,557.37	57.04
2010	18.08	10.39	54.29	10.87	1,840.80	61.02
2011	0.91	5.83	56.00	10.34	1,859.49	58.18
2012	-23.79	-11.47	45.59	7.68	1,404.54	50.08
2013	4.30	4.39	47.84	7.57	1,436.19	50.04
2014	11.16	1.51	47.08	7.74	1,584.82	54.80
2015	-10.74	-3.49	46.36	7.27	1,404.80	50.68
2016	0.40	6.32	47.04	7.49	1,401.08	47.86
2017	0.39	-2.07	46.77	7.28	1,397.64	49.06

Source: Elaborated by the author based on *Compara Brasil* (2021), IBGE (2021) and IPEA (2021).

Note: Values updated by the IPCA (June/2021).

The government's reaction to the crisis through a strongly anti-cyclical policy determines a favorable performance in the pace of economic activities, with Brazil, the Northeast and Ceará growing, in 2010, 7.53%, 6.61% and 6.75%, respectively (Graph 1). DOMINGUES *et al.*, (2010, p. 19) point out that such a policy, notably through the expansion of government consumption in 2009, would have greater effects on small state economies, mainly due to the “weight of the activity level of public administration and services, which could benefit more from public spending and from the limited impact of the crisis on service sectors”, a fact that is observed, to a certain degree, in the economy of Ceará. In 2010, social spending relative to GDP practically did not change, but in absolute terms recorded a significant growth rate of 18.08%, the best performance in the years under analysis. In per capita terms, social spending grows by 18.20% and its share in total spending and current revenues continues its upward trend (Table 1).

Between 2011 and 2014, in the midst of a more orthodox orientation by the Dilma government - spending control and revision of primary surplus targets; liquidity control and reduction of credit to individuals; review of the downward trend in interest rates⁸- the pace of growth of the Brazilian economy slows down. The GDP variation, in the period, was 5.51%, while, between 2008 and 2018, it had been 11.65%.

The Northeast registers a performance superior to the national one and the performance of the Ceará economy fluctuates, following closely the Brazilian GDP in the years 2011 and 2012, but surpassing its performance in 2013 and 2014, especially in the last year, when it grows at 4.18%, against 0.5% in Brazil. During this period, the participation of social spending in total expenses, GDP and current revenues

⁸Part of the economic policy orientation is, to a certain point, conditioned by the worsening of the international crisis in the euro zone between 2011 and 2014, which caused a contraction in the world average growth, which reduced from 5.2%, in 2010, to 2.9%, still in 2013 (GENTIL; HERMANN, 2017).

continued to fall. Also, between 2011 and 2014, state social spending oscillates, following fluctuations in national and state GDP, adhering, in turn, to the dynamics of current revenues in Ceará. A significant contraction in 2012 (-23.79%) and the recovery in 2014 (11.16%) are noteworthy (Graph 1 and Table 1).

In 2015, after the re-election of Dilma Rousseff, a set of changes in the conduct of economic policy began, with the aim of implementing a fiscal adjustment aimed at controlling public spending. In particular, between 2015 and 2016, the economy went through a series of shocks, including: deterioration in the terms of trade; fiscal adjustment; water crisis; currency devaluation; increase in the interest rate. As secondary effects: increase in unemployment; drop in income; contraction of the credit market and reduction of public investments (BARBOSA FILHO, 2017). Added to this is a climate of political instability that culminates in the institutional rupture and impeachment of Dilma Rousseff, with Michel Temer assuming the Presidency in May 2016. “The consequence was a rapid deterioration of the fiscal situation of the government and of the economy in general, accompanied by a loss of confidence on the part of external and internal economic agents” (CACCIAMALI; TATEI, 2016, p. 104), which influence expectations and economic growth rates. These elements translate into a brutal retraction in the level of activities, and the country records negative growth rates of -3.55% (2015) and -3.28% (2016). The negative performance is closely followed by the regional GDP and state (Graph 1).

Despite the fact that state social expenditures are more adherent to current revenues, the costs of adjustments fall on them more sharply. While revenues shrink 3.49% (2015), social spending losses correspond to 10.74%. In turn, in the 2016 recovery, growth in current revenues and social spending was 6.32% and 0.40%, respectively (Table 1).

The changes undertaken in the Temer government are aimed at maintaining a conventional orthodox policy, reinforcing the fundamentals of the macroeconomic tripod, with the direction of fiscal policy to reverse the upward trajectory of public spending⁹ (HORTA; GIAMBIAGI, 2018). The goal of sustained GDP growth, with an expected average of between 3.5% and 4.0% (HORTA; GIAMBIAGI, 2018), gives way to a timid growth of 1.32% in 2017 and 1.78% in 2018. The regional performance is slightly superior to that of Brazil and the GDP growth in Ceará is higher than that of Brazil in 2017 (1.49%), but lower in 2018 (1.45%).

State social spending practically stagnated, in terms of growth, in 2016 (0.40%) and 2017 (0.39%), falling as a proportion of total expenditure and GDP. They just do not reduce in terms of current revenue, because it recorded a negative growth of -2.07% (2017).

In general, per capita social spending showed an unsatisfactory performance in the period studied. The values reach BRL 1,859.49 in 2011 and end the series with BRL 1,397.64 (2017), an amount lower than that recorded in 2008 (BRL 1,407.10). Between 2008 and 2011, the growth rate is 9.74% per year. In the following periods,

⁹Among the measures, the following stand out: the implementation of the New Fiscal Regime, with the Constitutional Amendment Proposal (PEC) 241/2016; the return of BRL 100 billion from the BNDES to the National Treasury, reducing its funding; the creation of the Long Term Rate (TLP) as an index for new loans from public institutions; changes in the Student Financing Fund (FIES); renegotiation of state debts in exchange for a more severe adjustment program; simplification of the tax system (PIS/Confins) (HORTA; GIAMBIAGI, 2018).

this rate is -5.19% per year, between 2011 and 2014 and -4.10% per year, between 2014 and 2017 (Table 1).

Social Spending by Function

To undertake the task reported in this section, we employed the “Expense by Function” classification, with data available on the *Compára Brasil* website. Expenditures on meeting social needs and rights were selected, with expenses aimed at favoring society, as proposed by Rodrigues, Alves and Paulo (2012), being arranged by area of government action, the following expenses being considered as public social expenditure (settled in each period): social assistance, social security, health care, work, education, culture, citizenship rights, urban planning, housing, sanitation and sports and leisure.

Considering the sum of social spending in Ceará from 2008 to 2017, education was the largest, followed by social security and health care, together representing 85.29% of all social spending in the state in the analysis period. These three items showed different evolution over the period, in terms of participation in the total value of social expenses.

Education lost participation, from 42.18% (2008), to 27.51% (2017). This expense had its highest value in 2011, with BRL 6,834.03 million, showing an upward curve since 2008, with a rate of annual growth of 10.86% per year, between 2008 and 2011, and a sharp decline for the following years, with a reduction of -45.69% per year and -6.55% per year, in the subperiods of 2011/2014 and 2014/2017, respectively.

Health care expenditure followed the opposite path, with 18.10% in 2008, rising to 28.51% (2017). The trajectory of uninterrupted growth occurs until 2014, which registers the highest amount invested, but declines again until 2017, however, with values higher than the beginning of the series, in 2008. In the first and second subperiods under analysis (2008/2011 and 2011/2014), its annual growth rate was 11.56% and 10.31% per year, respectively. However, even with a reduction in values in the second subperiod of 2014/2017, with a rate of -3.74% per year, in the complete series (2008/2017), it presented a positive variation of 66.22%.

Table 2 - Ceará - Social expenditure by function (2008 – 2017) (in millions of BRL and percentage)

Social Spending	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Social Assistance	299.87	291.03	315.93	323.26	290.90	269.71	265.45	249.98	230.03	262.62
Social Security	3,395.14	3,533.98	3,811.81	3,681.63	3,227.92	3,396.68	3,525.03	3,627.85	3,569.48	3,714.15
Health Care	2,162.65	2,578.03	2,975.78	3,002.34	3,370.02	3,456.25	4,029.97	3,652.47	3,633.30	3,594.68
Work	89.33	91.22	125.75	90.37	109.65	102.54	106.58	78.55	76.97	66.29
Education	5,015.48	5,675.81	6,581.83	6,834.03	3,786.59	3,640.01	3,711.62	3,407.60	3,517.27	3,468.35
Culture	85.56	121.61	139.09	82.92	90.00	97.57	116.83	84.09	93.72	105.10
Rights and citizenship	248.74	337.04	346.87	369.01	464.11	496.85	561.39	572.64	627.39	694.80
Urbanism	153.03	255.18	497.48	295.34	197.34	199.87	375.92	286.38	302.62	204.46
Housing	55.26	94.96	161.37	102.49	63.64	63.90	231.71	92.63	69.14	44.74
Sanitation	343.18	301.10	655.89	593.67	220.13	410.48	737.52	353.75	382.62	424.32
Sports and Leisure	42.51	32.11	106.74	486.64	267.22	473.80	352.24	103.07	56.25	27.83
TOTAL	11,890.77	13,312.08	15,718.55	15,861.71	12,087.52	12,607.67	14,014.27	12,509.01	12,558.77	12,607.34
Social Spending	Variation in the period (%)				Annual growth rate (%)					
	2008-2011	2011-2014	2014-2017	2008-2017	2008-2011	2011-2014	2014-2017	2008-2017		
Social Assistance	7.80	-17.88	-1.07	-12.42	2.53	-6.36	-0.36	-1.46		
Social Security	8.44	-4.25	5.37	9.40	2.74	-1.44	1.76	1.00		
Health Care	38.83	34.23	-10.80	66.22	11.56	10.31	-3.74	5.81		
Work	1.16	17.94	-37.80	-25.79	0.39	5.65	-14.64	-3.26		
Education	36.26	-45.69	-6.55	-30.85	10.86	-18.41	-2.23	-4.02		
Culture	-3.08	40.90	-10.04	22.84	-1.04	12.11	-3.47	2.31		
Rights and citizenship	48.35	52.13	23.76	179.33	14.05	15.01	7.37	12.09		
Urbanism	92.99	27.28	-45.61	33.61	24.50	8.37	-18.37	3.27		
Housing	85.45	126.09	-80.69	-19.04	22.86	31.25	-42.20	-2.32		
Sanitation	72.99	24.23	-42.47	23.64	20.04	7.50	-16.83	2.39		
Sports and Leisure	1044.66	-27.62	-92.10	-34.54	125.37	-10.21	-57.09	-4.60		
Total	33.40	-11.65	-10.04	6.03	10.08	-4.04	-3.47	0.65		

Source: Elaborated by the author based on Compara Brasil (2021).

Note: Actual values updated by the Compara Brasil website (2021), using IPCA (June/2021).

* Sum of social spending from 2008 to 2017.

Spending on social security, the second largest amount of social spending, remained relatively stable in the period, hovering around 29 of the total. The other social expenditures, representing 14.71% of the total, showed variations, with emphasis on: rights and citizenship, which grew in the three analyzed periods, going from a participation of 2.09% (2008) to 5.51% (2017), the largest variation in the period, with 179.33%, and a growth rate of 12.09% per year; sports and leisure, with an increase of 1,044.66% between 2008 and 2011, with a growth rate of 125.37% per year, but closing the total period with a decline of -34.54%; urbanism, housing and sanitation,

with high growth rates in the first two periods, but with a decline in the period from 2014 to 2017.

In the full period (2008 to 2017), most items showed positive variation, revealing that, for these expenses, the advances in the first two periods were greater than the decline presented in the period from 2014 to 2017, with growth in total social spending of 6.03%, that is, a growth rate of 0.65% per year. In terms of total social spending, Ceará's peaks happened in 2010 and 2011, and a slight recovery in 2014.

The reduction in spending on education is accompanied by an improvement in results of Ceará in the Basic Education Development Index – IDEB. According to the National Institute of Educational Studies and Research Anísio Teixeira (INEP, 2021), in 2005 Ceará occupied the 18th position among the Brazilian states in the ranking of IDEB, both in the 5th grade and in the 9th grade (both with 2.8 points). In 2019, in the same national ranking, Ceará moves to the 3rd place in the 5th grade (6.3 points) and the 1st place in the 9th grade (5.2 points).

According to Kerstenetzky (2012), in view of the unsatisfactory achievements in education that perpetuate inequalities, the growth of spending on education is essential. Countries that have achieved the greatest redistributive efforts have done so largely through their education spending structure, expanding opportunities. Education, in the absence of universal and quality provision, leaves inequality out of control.

In Ceará, these results may suggest greater efficiency in the application of public resources, explained by a set of actions, especially through the redefinition of pedagogical instruments and educational management, starting in 1987, passing through several state administrations. New actions were taken, with emphasis on: physical recovery of schools; moral restoration of the public education system; fight against illiteracy; implementation of a permanent evaluation system for Basic Education; adoption of a cooperation regime between the state and municipalities, with technical and financial support from the State Department of Education; advances in the municipalization of fundamental education and in the democratization of access to education; state incentive policies for student evaluation programs and management results; initiatives to reduce school dropouts and improve the quality of secondary education; implementation of the concept of full-time school and secondary education integrated with professional education; and implementation of the Literacy Program at the Right Age - PAIC (AMARAL FILHO *et al.*, 2018).

The relatively high growth in “sports and leisure” expenditure, with emphasis on the years between 2011 and 2014, is possibly due to expenditures made by the Government of Ceará with equipment destined to carry out sporting events, with emphasis on the refurbishment of *Arena Castelão*, budgeted at BRL 508.61 million¹⁰, to host the Football World Cup.

Furthermore, according to Amaral Filho *et al.* (2018), other actions contributed to the increase in Sports and Leisure such as: sport as education, participation and leisure, through the creation and maintenance of sports equipment, aiming to serve more than 45 thousand children and adolescents, granting 3 thousand scholarships for this public; training, occupation and income for sports professionals; insertion of

¹⁰*Arena Castelão* costed BRL 351 million and was financed by BNDES (CEARÁ, 2021).

Ceará in the high-performance sport modality¹¹; setting goals in terms of occupation and income of professionals; promotion of adventure and nature sports; strengthening sports infrastructure, including the construction of Olympic villages.

Regarding health care, between 2007 and 2017, the state government promoted actions aimed at improving the provision of public health care services, such as: deconcentration of secondary and tertiary services, through the interiorization of the technological park and the diversification of services; strengthening of primary care, through investment in the expansion and physical and technological improvements of Basic Health Units (UBS), expanding the coverage of the Family Health Strategy; expansion, to the interior of the state, of specialized services of medium and high complexity, with emphasis on the implementation of three regional hospitals (Cariri, Sobral and Sertão Central), 19 Polyclinics and 22 Specialized Dentistry Centers (AMARAL FILHO *et al.*, 2018).

Considering health care expenditures in Brazil, Kerstenetzky (2012) points out that public expenditure on public provision has been increasing absolutely and relatively, but very slowly. Passos, Silveira and Waltenberg (2020) highlight the recent behavior of public spending per capita on health care, signaling a downward trend, recording that the lowest value since 2012 occurred in 2018. While public spending on education far exceeds the constitutional minimum and grew significantly, health care expenditures have had a timid growth in recent years relative to their share in the GDP, a trend that proves to be the opposite in Ceará.

Table 3 shows the share of expenses by function, considering the total volume of social expenses undertaken by the states of the Northeast, between 2008 and 2017.

Table 3 - Northeast States - Participation of expenses by function in the volume of state expenses (2008 to 2017) (%)

Description	MA	PI	CE	RN	PB	PE	AL	SE	BA	CE position in NE	1st place in NE
Social Assistance	3.51	0.61	2.10	3.34	3.97	0.45	0.96	2.62	1.96	5th	PB
Social Security	28.30	33.70	26.65	37.15	27.75	29.58	24.56	36.89	28.53	8th	RN
Health Care	24.34	28.43	24.37	25.90	25.26	32.52	31.38	25.76	31.51	8th	PE
Work	0.25	0.41	0.70	0.12	0.43	1.77	0.18	0.22	0.68	2nd	PE
Education	33.32	30.64	34.27	29.91	35.61	22.34	31.46	25.65	25.12	2nd	PB
Culture	1.44	0.45	0.76	0.63	0.30	0.98	0.43	0.42	1.41	4th	MA
Rights and Citizenship	3.28	0.75	3.54	2.10	2.07	5.95	2.84	2.54	2.05	2nd	PE
Urbanism	2.79	2.12	2.08	0.25	1.92	1.90	0.32	1.49	4.04	4th	BA
Housing	0.85	0.71	0.74	0.21	1.04	0.92	0.55	1.22	0.88	6th	SE
Sanitation	1.38	1.94	3.32	0.03	1.53	3.02	7.15	2.60	2.77	2nd	AL
Sports and Leisure	0.55	0.23	1.46	0.35	0.13	0.57	0.18	0.59	1.04	1st	CE

¹¹“[...] sport developed in its institutionalized form and carried out within the scope of sports federations, that is, the hegemonically practiced sport and the one that finds its expression in major events of an official nature, which have great social visibility: official sport, high competition sport; spectacle sport; competitive sport; formal sport” (STIGGER, 2001).

Social spending/ Total Expense	47.63	50.75	50.71	51.09	48.02	52.43	39.36	51.08	49.49	5th	PE
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Source: Elaborated by the author based on *Compara Brasil* (2021).

Note: Updated by *Compara Brasil* website (2021) using IPCA (June/2021).

Compared to other states in the region, with regard to the distribution of social spending, Ceará stands out in sports and leisure, sanitation, work, education, and rights and citizenship, occupying between the first and second place in the Northeast. When looking at the share of social spending over total spending in the respective states, it allocates 50.71% of its spending to social spending, the 5th state that spends the most on social items, with Pernambuco in the first place. The worst positions of Ceará are in social security and health care.

In general, it is possible to point out that federal and state social expenditures add up to the setting up of a social protection apparatus in the country, especially in favor of the most vulnerable sections of the population, which reverberated in better income and poverty indicators from 2002 to 2015. During this period, federal social spending (direct and through tax expenditures) by function increased as a proportion of GDP, with expansion in expenditures on social assistance, education and culture, basic sanitation and housing, work and employment, social security and health care. In this way, despite alleged weaknesses in the quality and breadth of the supply, the last decade witnessed, simultaneously with the advancement of social actions and programs focused on the poorest population, the densification of universal policies. Central government social spending increased from 12% of GDP in 2003 to 18% in 2015. It is noteworthy that 2 percentage points of this growth were due to the so-called social tax expenditures - tax benefits in assistance, education and health care (PASSOS; SILVEIRA; WALTENBERG, 2020).

It is worth emphasizing that the Federal Constitution of 1998 laid the foundations for a significant change in the social intervention of the State, "extending the range of social rights and the field of social protection under state responsibility, with relevant impacts regarding the design of policies, the definition of beneficiaries and benefits" (CARDOSO JR.; JACCOUD, 2005, p. 182). In the list of this set of rights, the institution of Social Security stands out as a basic system of social protection, articulating and integrating policies of social insurance, social assistance and health care.

However, the readjustment of the State's role in promoting economic and social development, through decentralization strategies, imposes profound challenges related to the performance of federal entities in the execution of social policies. For Souza (2005, p. 111), it ends up constituting, in Brazil, a "model of symmetrical federalism in an asymmetrical federation", in which different actors, with different resources, act under similar rules. Similarly, Palotti (2009, p. 114) points out that the model of federalism adopted "characterized the provision of social policies as common competences, accentuating the problem of defining responsibilities between the markedly asymmetric federated entities and from very unequal regions".

Moreover, the vertical institutional hierarchy in social assistance and health care¹², for example, ends up translating the primacy of higher instances in the design of policies, so that subnational entities often appear as mere managers of federal policies. In this scenario, “municipalities present themselves as inferior institutions, with less capacity for apprehension and construction of public policy” (PEREIRA, 2015, p. 2), the most vulnerable link in the Brazilian federative structure, requiring the improvement of mechanisms to effective technical and financial cooperation.

In general, considering the broad scope of social spending in Brazil, as Palotti (2009) emphasizes, social policies still suffer from the structural heterogeneity of local governments, especially the constituted institutional arrangements. However, the current scenario of fiscal austerity and the tendency of the State to lose responsibility represent a limit for the consolidation and improvement of these arrangements, constituting an adverse setup for the exercise of social policy in the country.

3.2 Aspects of inequality and poverty in Ceará

In the Brazilian case, income inequality shows a significant drop between 2001 and 2015. As already mentioned, the following are factors that contribute to that: the improvement in the performance of the economy and its effects on the labor market as a whole; the minimum wage appreciation policy and income transfer instruments (social security benefits, basic pension (BPC) and *Bolsa Família*); the redistributive effect of fiscal policy, through the improvement of public spending capacity.

Indicators of inequality and poverty in Ceará follow the trends experienced by the Northeastern and Brazilian economies. Graph 2 shows Gini indices for Brazil, the Northeast and Ceará, for the years in which the Continuous PNAD is available (2012 to 2021).

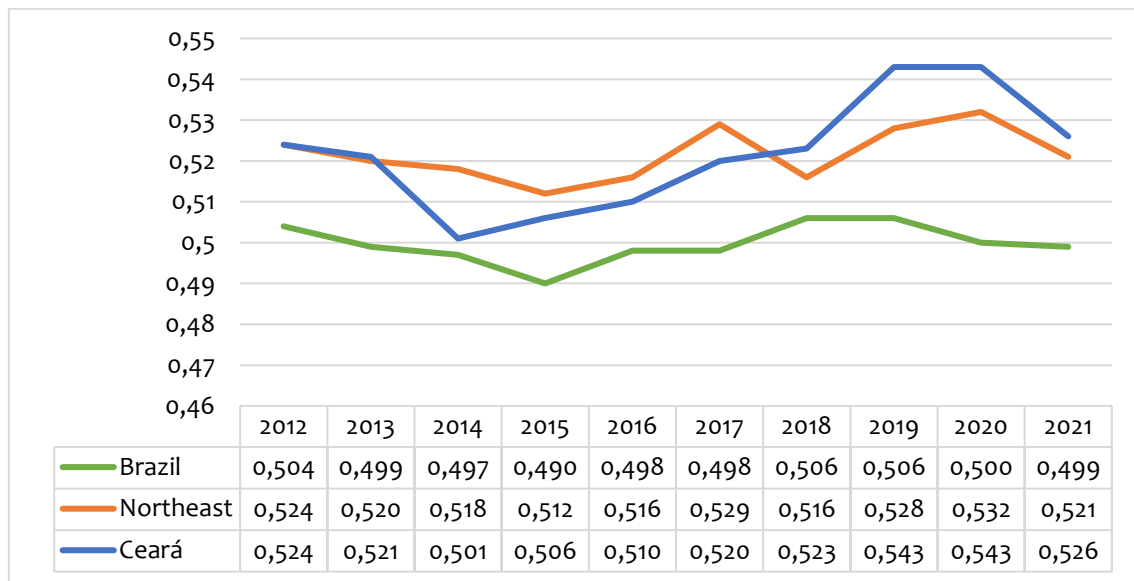
Between 2012 and 2015, the income distribution of the state showed continuous improvement, repeating the trends observed in Brazil and the Northeast. However, the drop is much more expressive in Ceará, which makes the Gini index of Ceará converge to the national index. After 2015, there is a reversal in the downward trend in inequality, but, as with the Gini reduction, the movement is more intense in Ceará; the worsening of the indicator, between 2015 and 2019, is also more expressive, compared to the Northeast and Brazil. That is, inequality in Ceará is more sensitive to the economic situation. In this period, inequality worsens by 7.31%, 3.13% and 3.27% in Ceará, Northeast and Brazil, respectively.

Considering the pandemic period, with the economy and the labor market under the effect of the Covid-19 crisis, it should be noted that the crisis intensifies the picture of socioeconomic deterioration already present in the domestic economy, which presented the following traits: deconstruction of rights and weakening of public institutions and unions; emergence of the “intermittent contract”;

¹²In the field of health care, the Federal Constitution, in its art. 23, item II, established a solidary federalism, imposing the common competence of the Union, the States, the Federal District and the Municipalities to handle health care.

unrestricted outsourcing; transmutation of employees into independent contractors without labor rights; private regulation of work with “free” negotiation between employer and employee on an individual basis and advances in the informalization of work (BRIDI, 2020; MATTEI; HEINEN, 2020). However, the analysis of the Gini Index reflects the importance of social protection policies, such as the Emergency Aid and *Bolsa Família*, which had an impact on the return of the fall in inequality between 2019 and 2021, being more expressive in Ceará, with a reduction of 3.13%, followed by Brazil (-1.38%) and the Northeast (-1.33%).

Graph 2 – Brazil, Northeast, Ceará - Gini index of real average monthly income of people aged 14 years or over in all jobs (2012 – 2021)



Source: IBGE (2022).

The trend of inequality in Ceará can also be expressed through the evolution of average income by income strata of the population, observed in Table 4.

From 2012 to 2015, it is clear that the lowest income strata show the best income gains, especially considering the 40% of the population with the lowest average income. The largest gains occur for the benefit of the poorest 10%, whose growth is 26.9% between 2012 and 2015, with emphasis also on the second and third tenths, with respective growth of 9.8% and 8.1% in the period. Without major changes in the intermediate strata, the loss of income in 10.7% of the richest 1% stands out - the only income group that experienced losses in the period.

The recessive adjustments and the austerity policy largely impact the poorest segments and the two strata that most benefited from the set of income redistributive effects, experienced until 2015, are precisely those that experience the greatest losses, -18.2% in 10% poorest and -9.2% among those in the second tenth, between 2015 and 2019, interrupting the pro-poor income redistribution cycle experienced in the previous period. In spite of this, there were large gains in higher income substrates, especially the richest 1%, which registered gains of 35.6%.

Regarding the period from 2019 to 2021, with the economy under the effect of a pandemic crisis, the analysis of earned income gives a significant degree of importance to income transfer mechanisms, to cushion the effects of the crisis on the

income of the most vulnerable families. The repercussions are seen especially in the poorest 10% and in the second tenth of the income distribution, with yield gains of 35.61% and 11%, respectively. The income gain trend of the richest in Ceará is interrupted under the effect of the pandemic, and the upper income groups lose around 10 to 11% for the richest 5% and 1%, respectively.

Table 4 – Ceará - Average income by subclass (2012 – 2021) (in BRL and percentage)*

Subclass	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
To 10%	130	147	149	165	167	155	135	135	166	183
from 10% - 20%	356	377	401	391	387	382	332	355	410	394
from 20% - 30%	590	601	671	638	622	627	574	607	693	628
from 30% - 40%	895	929	978	933	949	1,014	900	939	1,052	951
from 40% - 50%	1,054	1,085	1,094	1,081	1,095	1,133	1,119	1,124	1,137	1,072
from 50% - 60%	1,086	1,105	1,129	1,127	1,123	1,151	1,142	1,140	1,198	1,130
from 60% - 70%	1,220	1,237	1,261	1,298	1,218	1,285	1,268	1,282	1,441	1,340
from 70% - 80%	1,591	1,599	1,618	1,660	1,577	1,666	1,633	1,650	1884	1737
from 80% - 90%	2,355	2,400	2,315	2,436	2,300	2,538	2,441	2,581	2,870	2,637
from 90% - 100%	7,175	7,263	6,791	7,177	7,074	7,420	7,282	8,170	8,956	7,816
from 90% - 95%	3,744	3,866	3,682	3,905	3,751	4,171	4,000	4,216	4,865	4,187
from 95% - 99%	7,383	7,555	7,096	7,500	7,119	7,936	7,332	8,576	9,844	7,642
from 99% - 100%	22,497	22,314	22,391	20,097	22,714	22,648	23,391	27,251	26,406	24,570
Subclass	Variation (2012-2015) (%)			Variation (2015-2019) (%)			Variation (2019-2021) (%)			
To 10%	26.9			-18.2			35.6			
from 10% - 20%	9.8			-9.2			11.0			
from 20% - 30%	8.1			-4.9			3.5			
from 30% - 40%	4.2			0.6			1.3			
from 40% - 50%	2.6			4.0			-4.6			
from 50% - 60%	3.8			1.2			-0.9			
from 60% - 70%	6.4			-1.2			4.5			
from 70% - 80%	4.3			-0.6			5.3			
from 80% - 90%	3.4			6.0			2.2			
from 90% - 100%	0.0			13.8			-4.3			
from 90% - 95%	4.3			8.0			-0.7			
from 95% - 99%	1.6			14.3			-10.9			
from 99% - 100%	-10.7			35.6			-9.8			

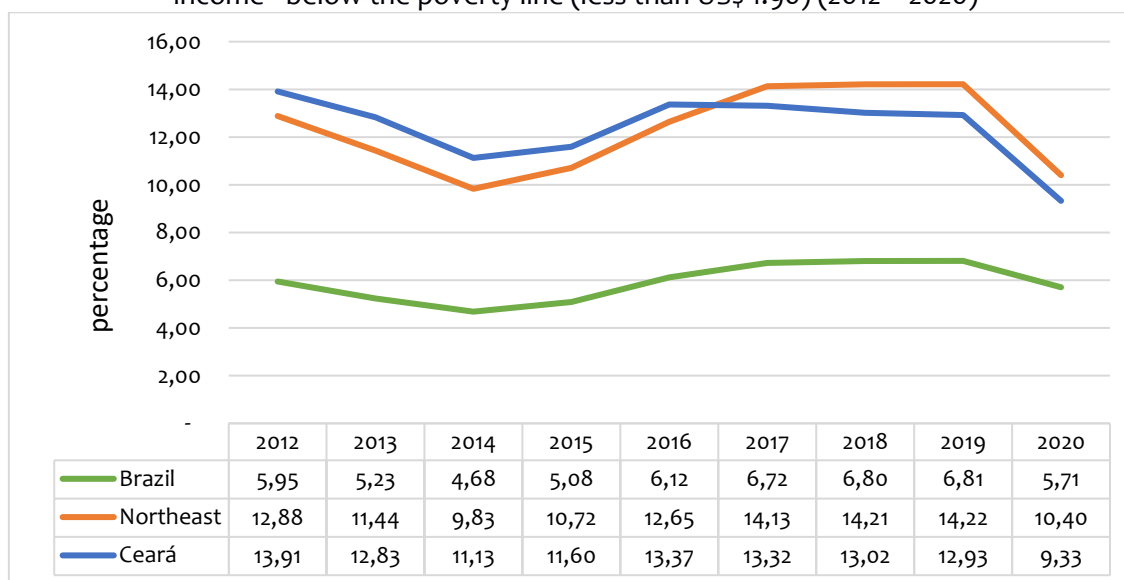
Source: IBGE (2022).

* Average monthly income of people aged 14 years or over, usually received in all jobs, at average prices for the last year, by simple percentage classes of people in ascending order of income usually received.

According to data released by IBGE (2022), in the period from 2012 to 2014, it appears that Ceará reduced the percentage of people below the World Bank poverty line of U\$S 1.9 per day from 13.91% (2012) to 11.13% (2014). This trajectory was also observed in the Northeast, with a reduction from 12.88% (2012) to 9.83% (2014), and in Brazil, from 5.95% (2012) to 4.68% (2014), however, with a more modest drop in Ceará.

Considering the recessive adjustment situation, from 2014 to 2019, the growth in the percentage of poor people in Brazil and the Northeast was approximately three times higher than that registered in Ceará. The population below the poverty line increases in Ceará to 12.93%, in the Northeast to 14.22% and in Brazil to 6.81%. When looking at 2020 data, even in the context of the pandemic and economic crisis, the percentage of poor people drops in the three spheres analyzed.

Graph 3 – Brazil, Northeast, Ceará – Percentage of people with per capita household income* below the poverty line (less than US\$ 1.90) (2012 – 2020)



Source: IBGE (2022).

* Total and proportion of people, by selected per capita household income classes, according to Major Regions and Federation Units – Brazil.

Although it is not the objective of this paper to present the determinants of the behavior of poverty and inequality data in Ceará, considering that they are a reflection of various macroeconomic and social, state and federal policies, it is worth mentioning the implementation of the Ceará State Fund to Combat Poverty – FECOP¹³, whose objective is to apply resources in supplementary actions of nutrition, housing, education, health care, basic sanitation, reinforcement of family income, fight against drought, and other programs of relevant social interest, in order to promote the improvement of the quality of life of the Ceará population. From 2008 to 2017, a total amount of BRL 4,685.64 million was invested¹⁴, showing a growth of 108% from 2008 to 2017. In comparison with the first year of operation (2004), the growth was 179% (SILVA *et al.*, 2021). The authors also assess the impact of the creation of FECOP, in 2003, on poverty indicators in Ceará, through the Generalized

¹³Created by the Complementary Law No. 37, of 11/26/2003 (DOE of 11/27/2003), and regulated by the Decree No. 29.910, of 09/29/2009. Its financing source is 2% of the ICMS rate, or the tax that replaces it, levied on products and services specified in the Complementary Law No. 37/2003, such as: alcoholic beverages, weapons and ammunition, sports boats, tobacco, cigarettes, ultralight aircraft and hang gliders, electricity, gasoline and communication services (SILVA *et al.*, 2021).

¹⁴ Value corrected by the IPCA for 2017 (IPEA, 2021).

Synthetic Control method¹⁵, considering indicators for the period from 1981 to 2014. The results indicate a statistically significant impact of FECOP on the reduction of poverty and extreme poverty in Ceará from 2008 onwards, with an average impact of approximately 8% on both indicators.

4 Final considerations

Through public policies, the State must ensure that the fundamental social rights of citizens are met, aiming, among other things, at social well-being and the reduction of inequalities in all its forms. The set of necessary actions in this sense involves not only increasing the allocation of resources in certain segments, but, above all, the implementation of an efficient management model, which can often bring about better results with lower expenses.

Ceará has been presenting results that point to the efficient use of public resources in Education. During the period under analysis (2008-2017), while there was a considerable improvement in the positioning of this state in the IDEB national ranking, both in the evaluation of the 5th grade and in the 9th grade, there was also a significant reduction in the allocation of resources for this expense. The answer to this apparent conundrum may lie in the association of measures aimed at implementing new pedagogical instruments and educational management tools, cooperation between municipalities and the state, as well as the creation of full-time schools.

Another important point refers to health care, from the internalization of specialized services of medium and high complexity (regional hospitals, polyclinics and centers specialized in dentistry), which were concentrated in the state capital Fortaleza, but which are now available for the population in dynamic hub regions, especially in medium-sized cities with regional influence. In addition to the ease of proximity, it reduces the overload of in hospitals and health care units in the capital, contributing to new economic centralities and urban dynamics in medium-sized cities in the state.

Social spending in Ceará, from 2008 to 2017, even as a result of state development policy, shows a behavior that is sensitive to the national situation, even when looking at spending by function. In the period from 2008 to 2011, Ceará presents GDP growth, greater allocation of resources in social spending and improvement in inequality and poverty indicators. In the following years, until 2017, also accompanying the national trajectory, there is a decline in the GDP growth rate, with a slight recovery in 2017, cooling of social spending and worsening of inequality and poverty indicators.

However, in specific cases it is possible to highlight actions in Ceará that deserve a more careful evaluation. As for inequality, the state is more sensitive to recovery or recession, considering regional and national performance. In the case of poverty, Ceará reacts better to the adverse circumstances of 2015 to 2019 and the pandemic year, increasing less the poverty rate in the recessive adjustment of the

¹⁵ The Generalized Synthetic Control method “allows obtaining a comparison group represented by a combination of potential states whose evolution of poverty indicators in the pre-intervention period is close to that observed for Ceará” (SILVA *et al.*, 2021, p. 26).

first period, and improving more this indicator during the recovery of 2020, as compared to the Northeast and to Brazil.

However, social spending, by its nature, should be less subject to fluctuations in the economic situation, acting as an anti-cyclical protection, ensuring that, in periods of recession, the population with greater social vulnerability is less affected, keeping the economy relatively stable, functioning as an automatic stabilizer, in line with “economically oriented social policies”, as defended by Kerstenetzky (2014).

In general, there is still a long way to go in Ceará when it comes to guaranteeing the fundamental rights and well-being of the population, which still has a high number of people below the poverty line - 9.33% in 2020 against 5.71% in the country as a whole – but it has been standing out in several aspects.

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