

## Parliamentary Amendments to the Public Budget: Resource Allocation in the Brazilian Federal Government 2019-2020

### *As Emendas Parlamentares no Contexto do Orçamento Público: Alocação de Recursos no Governo Federal 2019-2020*

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#### ABSTRACT

In Brazil, the legislative branch must approve the bill of the annual budget law (LOA), and deputies and senators can propose amendments to the bill during this process. These amendments raise debates about the federal government's public budget. Therefore, this study considers the public budget a technopolitical instrument. It adopts a broad concept that challenges budget practice and can help explain the role of parliamentary amendments in the Brazilian allocative process. Thus, the article aims to characterize the parliamentary amendments to the Brazilian federal government's budget from 2019 to 2020, observing the economic-financial and socio-political dimensions. Exploratory and descriptive research adopting the

documentary and bibliographic methods was carried out to understand the arrangements of parliamentary amendments to the public budget, supported by the theoretical discussion about coalitional presidentialism. When examining the quantity of resources directed to the subnational entities through parliamentary amendments to the budget, it was possible to observe the prominence of the Southeast region, which occurs because it is the most populated region of the country. It is observed that it is primarily intended for health (an obligation of the constitutional amendment EC 86/2015). It was also possible to observe the parliamentarians' tendency of directing resources to welfare,

urban planning, administration, and education.

**Keywords:** parliamentary amendments, economic-financial, sociopolitical, coalitional presidentialism

### **RESUMO**

*No Brasil a Lei Orçamentária Anual (LOA) também deve ser aprovada pelo Poder Legislativo. É no momento da passagem pelo legislativo que podem ser apresentadas as emendas parlamentares, ou seja, alterações ou proposições no orçamento anual feitas diretamente pelos deputados e senadores. Essas emendas suscitam debates acerca do orçamento público do Governo Federal. Parte-se do entendimento de que o orçamento público é um instrumento tecnopolítico, e essa concepção ampla desafia a prática orçamentária e ajuda a explicar o papel das emendas parlamentares no processo alocativo brasileiro. Assim, o artigo objetiva caracterizar as emendas parlamentares do orçamento do Governo*

*Federal, no período de 2019 a 2020, na perspectiva das dimensões econômico-financeira e sociopolítica. Para tanto, realizou-se pesquisa do tipo exploratória e descritiva, valendo-se teoricamente da discussão do presidencialismo de coalizão para compreender os arranjos das emendas no quadro do orçamento público e das pesquisas documental e bibliográfica como meios de investigação. Em termos de unidade da federação, a região sudeste obteve maior volume de recursos, mas em termos populacionais essa é a maior região do país. Observa-se que prioritariamente se destinam para a saúde, sendo uma imposição da EC nº 86/2015, mas também constam prioritariamente assistência, urbanismo, administração e educação.*

**Palavras-chave:** emendas parlamentares, econômica-financeira, sociopolítica, presidencialismo de coalizão

## **1. INTRODUCTION**

The federal government annually prepares the budget bill to define investment and cost expenditures for the following year (Brasil, 2021c), exercising its allocative function. This function refers to defining how public resources can be used in public and private sectors throughout a specific year. In Brazil, the legislative branch must approve the bill of the annual budget law (LOA) (Brasil, 2021c; Brasil, 2021b), and deputies and senators propose

amendments to the bill during this process. These amendments provoke debates about the federal government's public budget.

When observing the issue of resource allocation through the public budget, the state's allocative function consists of planning and formalizing the budget law and distributing the revenues so public policies can be supported (Giacomoni, 2012). This way of looking at resource allocation has limits, mainly because it considers projections and prescriptions only in terms of financial resources. Therefore, this study considers the public budget a technopolitical instrument (Pires, 2011; Couto; Cardoso Júnior, 2018). Thus, the article aims to characterize the parliamentary amendments to the Brazilian federal government's budget from 2019 to 2020, observing the economic-financial and socio-political dimensions.

There is a research gap when it comes to an understanding of how the legislative branch operates in the decision-making about the Brazilian public budget, especially after the latest changes introduced by the constitutional amendments EC 86/2015 and EC 100/2019. This gap and constitutional amendments motivated this research and the selection of the period examined (2019-2020). The coalitional presidentialism approach was chosen due to the importance of the public budget's sociopolitical dimension evidenced by the parliamentary amendments to the budget. Also, previous studies used this political-institutional arrangement on the relations between the executive and legislative branches in Brazil.

## **2. THE PUBLIC BUDGET IN THE CONTEXT OF COALITION PRESIDENTIALISM**

The debate on parliamentary amendments to the public budget has given rise to a renewal in the context of the budget's conception, as Pires (2011) and Couto and Cardoso Junior (2018) have argued. For these authors, as a technopolitical instrument, the public budget is the *locus* where results of a decision-making process on prioritizing public policies materialize, marked by disputes, cooperation, hierarchical commands, and spaces of autonomy, albeit fragmented.

The public budget consists of a sociopolitical and an economic-financial dimension. The latter presents numerous rules, classifications, prescriptions, and mechanisms for managing public resources within the framework of the public resource allocation system. It comprises

the legal framework of planning and is, in formal terms, inserted in the budget law, which presents a forecast of public revenues to meet the needs of projects and activities related to public policies and the fixing of expenses, including the maintenance of the established structure. In Brazil, the 1988 Federal Constitution introduced mechanisms that reinforce the planning and control of the execution of public expenditures. Such mechanisms were improved with the introduction of the multi-year plan (PPA) and the budget guidelines law (LDO), and their integration with the traditional annual budget law (LOA) (Rocha, 2008; Costin, 2010; Giacomoni, 2012).

The public budget's sociopolitical dimension refers to the political debate around resource allocation, involving the countless mechanisms of society representation and participation, including the parliamentary amendments to the budget. Within the sociopolitical dimension of the public budget, both society and its representatives in the legislative branch must authorize the head of the executive branch to execute expenses, making the decision-making process more complex. Improvements have been observed in this dimension, evidenced by complementary laws 101, of 2000 – known as the fiscal responsibility law (LRF) – and 131 of 2009, or the transparency law (Angélico, 2015). Finally, it is worth mentioning Ramos's (1981) perspective that highlights the allocative process as politically and institutionally determined. For the author, there has always been an allocative theory that indicated the priorities of political deliberations on the processes of creation and distribution of wealth in societies.

The discussion of the public budget in the light of coalitional presidentialism helps to understand the issue addressed in this article. According to Abranches (2018), this model is based on the interdependence between the executive and legislative branches, where the executive has more authority. For the author, “[...] the president's governance capacity depends on support from parliament to transform their main public policy choices into laws. [...] Members of Congress depend on the executive's spending decisions to meet the demands of their constituents. The [president's] power of issuing provisional measures partially reduces the president's dependence [on the legislative]” (Abranches, 2018, p. 79, our translation).

Abranches (1988, p. 22, our translation) defined the existing presidentialism in Brazil as “coalitional.” For the author, the allocation and execution of budgetary resources are reflections of this mechanism, which resorts to party and regional coalitions: “[...] The logic

behind forming coalitions has two axes: the party and the region (state). [...] The calculation related to the government's political support is not only the [alignment of] parties in parliament but also regional [political context]". The author continues arguing that the political effects of the coalitions "exceed the field of fundamental rights and incorporates particular privileges and prerogatives, as well as substantive issues."

According to Abranches (2018), both electoral fragmentation and the heterogeneity of voters have made it impossible for the president to hold a majority in Congress. It is within the scope of the political debate on resource allocation in the federal government's budget that coalitional presidentialism has developed and generated allocation problems, particularly regarding the public budget. These issues can be identified by analyzing the characterization of the parliamentary amendments to the budget. The government establishes agreements with the coalition through the public budget, requesting the approval of programs within the budget bill in exchange for positions in state-owned companies and ministries, and opening spaces in the budget to accommodate parliamentary amendments proposed by individual members of Congress or parliamentary groups. Abranches (2018) sees the coalition as a prior agreement, where "[...] parties are willing to support the executive's projects, under conditions to be negotiated at the time each project is discussed and voted. It is never a delegation of powers" (Abranches, 2018, p. 77, our translation).

The coalition in the current Brazilian context has become more complex because the Senate has ceased to be a reviewer and can now initiate legislative processes. Furthermore, it is necessary to achieve a majority in both the Senate and the Chamber of Deputies to approve a bill. The Senate now has the same competencies as the Chamber of Deputies, in addition to the exclusive powers of judging and impeaching the president, which was recently confirmed by the Federal Supreme Court (Abranches, 2018).

It is a scenario in which "[...] The decision-making game changes" (Abranches, 2018, p. 77, our translation). The so-called "People's Chamber" (Chamber of Deputies), elected by proportional representation and with parliamentary groups formed according to the states' population size, is equal to the so-called "Federative Chamber" (the Senate), elected by the majority of votes and composed by an equal number of senators per state. This equivalence has changed the deliberations in the Brazilian Congress, at least when compared with the model drawn up by the 1988 Federal Constitution (Abranches, 2018). This change affected the

decision-making process, confronting richer and poorer states. It also interfered in the calculation and management of coalitions, from the necessity to create a balance of interests and forces between parliamentary groups formed of members from different parties (Abranches, 2018).

After three decades, it is possible to say that coalitional presidentialism works when it comes to the processes of approving the federal public budget in Brazil, even though it has numerous problems. Abranches (2018) points out these problems. For the author, despite the governability obtained through such an approach, its deficits are increasingly apparent: “institutional [issues], in the resolution of crises involving polarized impasse between the executive and the legislative branches. [Problems of] Quality, coherence, and persistence of the public policies it produces. [Problems of] Representativeness of the party system and quality of the democracy” (p. 243, our translation).

In periods of crisis, these deficits are more evident, along with disputes over resources, which have generated problems such as delays in the approval of budget bills. “The resilience of the oligarchic power and the domain of political convenience over the observance of constitutional rules seem to me to be decisive to understand the dilemmas and problems of our political life” (Abranches, 2018, p. 341, our translation).

For Abranches (1988, p. 6, our translation), the Brazilian government “faces an enormous bureaucratic-budgetary inertia, which makes it extremely difficult to eliminate any program, the reduction or extinction of incentives and subsidies, the reorganization and rationalization of public spending.” The author continues by arguing that the difficulties to leave this bureaucratic-budgetary inertia stem both from the “collusion between segments of the bureaucracy and private beneficiaries, and the lack of interest of the political forces that control the executive and the legislative in assuming the costs associated with changes in the agendas of allocation and state regulation.” It is as if there was a stalemate in the process, making it challenging to face crises and “more acute problems that emerge from our pattern of development.”

Given this background of coalitional presidentialism, this study analyzes the parliamentary amendments to the Brazilian federal government’s budget. The dominant conception in the literature (and the public opinion in general) is that parliamentary amendments to the budget have generated parochial and politically motivated initiatives and

allocation inefficiencies. The idea of inefficiency stems from the concentration of benefits and the socialization of costs through the state. In this sense, “[...] the system of incentives in place – especially the phenomenon of universalism and the role played by the electoral connection in the political environment – conditions and encourages the behavior of sponsors of inefficient projects” (Almeida, 2021, p. 01, our translation). However, even though parliamentary amendments to the budget are associated with the inefficient application of public resources, recent research explored another bias on the issue, arguing that parliamentary amendments can promote responsiveness to local demand, accountability, and transparency, based on the concept of political representation and qualification of the democratic representation system (Almeida, 2021).

However, some studies show a tendency for coalitions to become unstable in multiparty parliaments, jeopardizing the budget’s balance. Pereira and Mueller (2002) noted that “[...] according to the norm of universalism, understood as reciprocity in the approval of distributive programs among parliamentarians, expenditures grow as the number of legislators and political parties increases” (Pereira; Mueller, 2002, p. 266, our translation). The authors also highlight that this multiparty structure hinders control by Congress.

From a legal point of view, the debate on parliamentary amendments to the budget led to constitutional amendment EC 86 in 2015, which established that part of the budget would be mandatory. EC 86 established that a portion of the budget, limited to 1.2% of the net current revenue foreseen in the LOA project, would be designated to pay for amendments made by individual members of Congress, with mandatory execution (Brasil, 2021d). This constitutional amendment was changed by Constitutional Amendment 126/2022, which increased the limit to 2% of the net current revenue, distributed as 1.55% to amendments by Deputies and 0.45% to amendments by Senators (Brasil, 2024).

For Almeida (2021, p. 14, our translation), individual amendments constitute a low-cost instrument used by the executive branch to implement its agenda, which, in general, “comprises public goods of national interest, aimed at achieving objectives, such as promoting economic growth and reducing inequalities.” However, Almeida’s (2021) perspective is not predominant in the literature.

“It is possible that the enactment of constitutional amendment EC 86/2015 – which made mandatory the execution of the programs that individual amendments included in the



LOA [by legislators] – may have disturbed, to some extent, the dynamic in question” (Almeida, 2021, p. 14, our translation). Volpe (2019, p. 86, our translation) highlights that the EC 86/2015 affects “the political arrangement of the coalitional presidentialism and the legislative agenda of the Congress.”

In 2019, constitutional amendment 100/2019 was enacted, adding the mandatory execution of another portion of the budget (1% of net current revenue of the previous year), corresponding to amendments proposed by states and federal district parliamentary groups (Brasil, 2021e). The mandatory executions require allocation criteria, emphasizing the country’s structuring priorities and the role of the amendments in this priority framework. These criteria should be incorporated into the current legislation that deals with the matter to make it less likely that parliamentary amendments are an object of the bargain between the executive and legislative branches (Volpe, 2019).

Therefore, parliamentary amendments to the Brazilian federal government’s budget refer to amounts that each member of Congress can appoint allocation (each one can propose 25 amendments and half of the total amount has to be directed to health) and amounts to be directed by parliamentary groups (between 15-20 amendments to each group). Both constitutional amendments EC 86/2015 and EC 100/2019 are, in practice, the strengthening of parliamentarians, as they ensured the mandatory implementation of the amendments they presented to the budgets, enabling the targeting of this public resource to meet the interest of their constituents. On the other hand, they reduced the government’s bargaining power, since the release of resources for parliamentary amendments as a condition when negotiating the approval of programs in the political game between Congress and federal government loses strength, without clarity on the practical outcome of the process (Volpe, 2019).

### 3. METHODOLOGICAL PROCEDURES

This descriptive article adopted a qualitative approach and used documentary research and data from the Senate’s online portal SIGA Brasil. The study analyzed the parliamentary amendments to the Brazilian federal government’s budgets from 2019 to 2020, based on the theoretical-methodological matrix illustrated in Table 1. The public budget is the central concept, analyzed from its economic-financial and socio-political dimensions.

Table 1. Theoretical – methodological matrix



Dimension	Empirical categories	Data collection	Data analysis
Economic-financial	<ul style="list-style-type: none"> <li>- Number of amendments</li> <li>- Legal limits</li> <li>- Government's areas of operation</li> </ul>	<ul style="list-style-type: none"> <li>- Authorization and execution of amendments to the budget in the online portal SIGA Brasil – 2019 to 2020</li> <li>- Law 4320/64, 1988 Federal Constitution, EC 86/2015, EC 100/2019.</li> </ul>	Descriptive and documentary analysis
Socio-political	<ul style="list-style-type: none"> <li>- Regional distribution</li> <li>- Chamber of Deputies and Senate</li> <li>- Individual amendments and amendments of the parliamentary groups</li> </ul>	<ul style="list-style-type: none"> <li>- Authorization and execution of amendments to the budget in the online portal SIGA Brasil – 2019 to 2020</li> <li>- Law 4320/64, 1988 Federal Constitution, EC 86/2015, EC 100/2019.</li> </ul>	Descriptive and documentary analysis

Source: Elaborated by the authors.

Data collection was based on the legislation that regulates the approval of the public budget in Brazil, in particular, the parliamentary amendments to the budget: Law 4320/1964, 1988 Federal Constitution, and constitutional amendments EC 86/2015 and EC 100/2019. Also, the data collection followed the theoretical-methodological matrix (Table 1) to identify the empirical categories, using the database of the Senate's online portal SIGA Brasil. Data analysis was carried out through descriptive and documentary research, based on a conception of public budget that includes the economic-financial and the socio-political dimensions. This conception led to the categories that supported data collection and analysis.

## 4. RESULTS AND DISCUSSION

### 4.1. General results

The approval of public budget bills in Brazil means the appreciation of multi-year plans (PPA), budget guidelines laws (LDO), and annual budget laws (LOA) by the legislative branch. In the case of the federal government, the Congress (Senate and Chamber of Deputies) works under a common regulation in a joint commission established to evaluate these three projects. The commission is formed of 21 senators and 63 federal deputies. It is responsible for the first assessment before taking the bill to the Senate and the Chamber of Deputies. In this phase of analysis, the budget bill is submitted to public hearings where the population can discuss

priorities among the programs presented by the executive. The process of approving the budget bill starts in the joint commission. Once approved by the commission, the bill goes on to be discussed and voted in the Senate floor and the Chamber of Deputies. Table 2 shows the resources allocated by parliamentarians in the federal budget from 2019 to 2020, presenting the number of legislators that proposed the amendments, the number of amendments, and the amendments' amount approved to be part of the budget law (authorized) (Chamber of Deputies and Senate, together).

Table 2. Number of legislators, number of amendments proposed, and amounts approved in the budget law

Items	2019			2020		
	Legislators	Amendments	Authorized	Legislators	Amendments	Authorized
Total	872	21,890	13,723,759,764	1,442	24,279	36,177,357,007
States and federal district parliamentary groups	27	240	4,579,969,644	27	546	5,927,298,253
Federal Deputy	740	18,918	7,894,792,072	1,190	20,307	8,177,277,710
Senator	115	2,731	1,248,998,048	192	2,947	1,291,176,100
Comission of the Chamber of Deputies	-	-	-	25	94	325,123,243
Joint commission	-	-	-	4	16	118,502,428
Comission of the Senate	-	-	-	13	50	196,044,237
Budget rapporteur	-	-	-	0	318	20,141,935,036

Source: Siga Brasil - Senado (2021)

\*Some of the data for 2019 was not available on the Siga Brasil database, such as the information of legislators, amendments, and amounts proposed by the commission of the Chamber of Deputies, joint commision, Commission of the Senate, and the information from the budget rapporteur.

The authorized amounts (approved in the budget law) grew by over 163% from 2019 to 2020. It is important to note that the COVID-19 pandemic could not be anticipated when the LOA 2020 was approved – on December 17, 2019, according to Agência Brasil (2021). Thus, it is possible to infer that the agreements and coalitions within the Brazilian coalitional presidentialism were consolidating after the first year of the government elected in 2018 (Abranches, 1988; Abranches, 2018).

The data analysis from 2019 and 2020 showed 29% growth in the amounts authorized from amendments proposed by states and federal district parliamentary groups. The growth in the amounts authorized from amendments of federal deputies and senators were 3.6% and 3.4%, respectively. Also, we observed that in 2019 there was no separation between amendments

proposed by commissions in the Chamber of Deputies, Senate, joint commissions, and amendments proposed by the budget rapporteur.

The data for 2020 presents a total of BRL 36,177,357,007.00 of parliamentary amendments approved to be part of the budget law. The amendments proposed by the budget rapporteur corresponded to 55% of the total amount, or BRL 20,141,935,036.00. This information suggests that the negotiation within the coalition occurred in the relationship among parliamentarians and the budget rapporteur (Abranches, 2018). “[...] The functions of a general budget rapporteur and a sectoral rapporteur have great influence, and these positions are appointed by the budget commission’s president, respecting the proportionality among parties” (Pereira & Mueller, 2002, p. 271). These are central functions, and the negotiations around the appointments are conducted by party leaders.

The amounts committed, executed, and paid, including the outstanding balance, represent other information worth looking at. Table 3 shows these amounts by states and federal district parliamentary groups, deputy, senator, commissions, and rapporteur.

Table 3. Amounts committed, executed, and paid (includes outstanding balance)

Items	2019			2020		
	Committed	Executed	Paid+Outstanding balance	Committed	Executed	Paid+Outstanding balance
Total	4,433,590,021	4,433,590,021	2,701,653,770	5,863,241,414	5,863,241,414	5,071,518,829
States and federal district parliamentary groups	7,377,064,596	7,377,064,596	6,325,350,582	7,970,895,254	7,970,895,254	7,993,660,872
Federal Deputy	1,163,215,618	1,163,215,618	957,907,621	1,257,063,992	1,257,063,992	1,194,057,377
Senator	-	-	-	293,060,227	293,060,227	153,818,300
Commission of the Chamber of Deputies	-	-	-	117,694,940	117,694,940	91,934,217
Joint commission	-	-	-	171,875,250	171,875,250	22,595,452
Commission of the Senate	-	-	-	19,735,866,956	1,973,586,695	7,013,159,578
Budget rapporteur	4,433,590,021	4,433,590,021	2,701,653,770	5,863,241,414	5,863,241,414	5,071,518,829

Source: Siga Brasil - Senado (2021)

\* Data from Siga Brasil for 2019 did not present the amounts per senator, commission of the Chamber of Deputies, joint commission, Commission of the Senate.

The amounts executed follow those committed. However, the amounts paid – including the outstanding balance – are lower. There is little difference between the amounts of parliamentary amendments committed and paid. In the case of deputies, the payment (including outstanding balance) reached more than 94% of the committed amount. As for the parliamentary groups, the amount committed was fully executed (the amount paid, including the outstanding balance, was slightly higher). The influence of the constitutional amendment EC 100/2019 on mandatory execution of amendments was observed when comparing the amounts committed and executed in 2019 with those of 2020 for both deputies and parliamentary groups. As for the payment of the amendments, it is possible to note differences among parliamentarians and commissions, and the situation regarding the budget rapporteur stood out.

#### 4.2. Parliamentary amendments in the regional context and by area of government's operation

Studies on parliamentary amendments to budget laws have to consider the regional aspects, both in terms of allocative organization and regional coalitions (Abraches, 1988). Table 4 shows the amendments by subnational entities and Brazilian regions – which Abranches (1988) calls 'regional' amendments.

Table 4. Category per state, Brazilian region, and amendments executed (Million BRL)

State/region	2019	2020
	[Paid (inflation index IPCA)] + [Paid outstanding balance (IPCA)]	[Paid (IPCA)] + [Paid outstanding balance (IPCA)]
National-NA	120,300,000	7,500,000,000
São Paulo-SP	1,300,000,000	1,700,000,000
Minas Gerais-MG	924,500,000	1,200,000,000
Rio de Janeiro-RJ	581,500,000	877,300,000
Espírito Santo-ES	319,100,000	335,000,000
Southeast – SD	1,900,000	81,300,000
Subtotal SD	3,127,000,000	4,193,600,000
Bahia-BA	671,300,000	1,000
Ceará-CE	514,700,000	641,300,000
Maranhão-MA	556,200,000	518,300,000
Pernambuco-PE	347,900,000	549,500,000
Alagoas-AL	254,100,000	274,300,000
Sergipe-SE	248,400,000	416,900,000
Piauí-PI	278,200,000	321,900,000
Northeast - NE	6,800,000	284,200,000
Subtotal NE	2,877,600,000	3,006,401,000
Paraíba-PB	219,000,000	520,400,000
Pará-PA	315,100,000	662,600,000
Rio Grande do Norte-RN	277,000,000	396,800,000

Tocantins-TO	215,600,000	466,900,000
Acre-AC	195,400,000	242,500,000
Roraima-RR	191,200,000	240,500,000
Amapá-AP	158,000,000	433,000,000
Amazonas-AM	151,000,000	385,200,000
Rondônia-RO	137,700,000	233,600,000
North – NO	2,300,000	15,700,000
Subtotal NO	1,862,300,000	3,597,200,000
Mato Grosso-MT	291,700,000	302,700,000
Mato Grosso do Sul-MS	174,100,000	354,400,000
Goiás-GO	354,400,000	494,000,000
Distrito Federal-DF	156,400,000	174,200,000
Central West - CO	17,700,000	30,300,000
Subtotal CO	994,300,000	1,355,600,000
Rio Grande do Sul-RS	700,500,000	798,700,000
Paraná-PR	612,900,000	720,500,000
Santa Catarina-SC	493,100,000	455,100,000
South – SL	8,400,000	56,400,000
Subtotal SL	1,814,900,000	2,030,700,000
International - EX	5,000	2,400,000

Source: Siga Brasil - Senado (2021)

All regions showed growth from 2019 to 2020, particularly the Southeast region and the state of São Paulo. The COVID-19 pandemic may have influenced the increase of amounts in the region. The data suggest that the changes between the forces in the Chamber of Deputies and the Senate led to a confrontation between richer and poorer states (Abranches, 2018). Table 5 shows the amounts of executed parliamentary amendments separated according to the major areas of government operation.

Table 5. Category – executed amendments per government's areas of operation

Government's areas of operation	2019	2020	Total
Health	6,810,756,700	7,539,200,000	14,349,956,700
Administration	117,176,300	4,010,700,000	4,127,876,300
Urban planning	980,900,000	2,044,300,000	3,025,200,000
Welfare	694,113,800	1,564,517,300	2,258,631,100
Education	584,375,000	1,259,121,600	1,843,496,600
Special charges	5,000,000	1,254,300,000	1,259,300,000
Public safety	112,361,100	1,132,900,000	1,245,261,100
Transport	275,100,000	894,300,000	1,169,400,000
Agriculture	498,436,900	499,800,000	998,236,900
Environment	135,754,400	516,800,000	652,554,400
Sanitation	44,300,000	559,400,000	603,700,000
Sports and leisure	168,900,000	375,400,000	544,300,000
Commerce and services	186,400,000	266,200,000	452,600,000
Rights and citizenship	35,100,000	273,424,700	308,524,700
Science and technology	33,400,000	213,300,000	246,700,000
Culture	59,300,000	152,300,000	211,600,000
National defense	17,000,000	73,400,000	90,400,000
Agrarian organization	14,200,000	17,900,000	32,100,000
Social security	2,500,000	21,000,000	23,500,000

Labor	3,308,400	9,900,000	13,208,400
Industry	6,700,000	2,596,800	9,296,800
Energy		2,444,900	2,444,900
Foreing affairs	5,500	2,100,000	2,105,500
Communications	1,300,000		1,300,000
Housing		142,000	142,000
Totals	10,786,388,100	22,685,447,300	33,471,835,400

Source: Siga Brasil - Senado (2021)

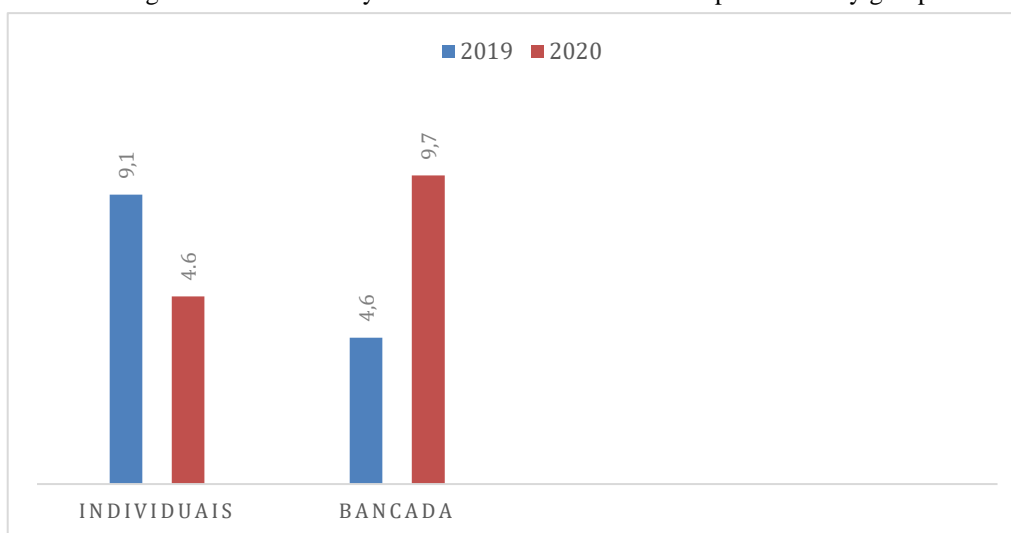
Table 5 demonstrates the significant amount of parliamentary amendments directing resources to health in 2019 and 2020, reaching more than BRL 14 billion. The amounts suggest that the parliamentarians' priorities in 2019 were health (63% of the amendments to the budget law), urban planning (9%), welfare (6.5%), and education (5.5%). It is important to stress that the expressive amount applied in health is due to the imposition of the constitutional amendment 86/2015, which establishes that half of the value of individual amendments is destined to public health.

In 2020, the area of health received 33% of the executed amendments, followed by administration (18%), urban planning (9%), welfare (more than 6.5%), and education (5.5%). Therefore, the second-highest amount of amendments executed was allocated to administration, reaching 4.01 billion – an area of government action, which has received attention from parliamentarians has increased significantly (34 times higher in 2020 compared to the figure of BRL 117 million observed in 2019). Overall, the value of parliamentary amendments executed in 2020 was double that of 2019, exceeding 22 billion reais. The analysis of the amounts in 2019 and 2020 indicates the position of the amendments within the framework of the public investment agenda for Brazil.

### 4.3. Amendments from individual legislators and parliamentary groups

In Brazil, parliamentary amendments to the federal public budget can be an initiative of legislators individually or a proposal prepared collectively, like those presented by parliamentary groups. Parliamentary amendments to the budget refer to a part of the budget already reserved and regulated by the constitutional amendments EC 86/2015 and 100/2019 (Brasil, 2021d; Brasil, 2021e). Figure 1 summarizes the amounts of parliamentary amendments in 2019 and 2020.

Figure 1. Parliamentary amendments – individuals and parliamentary groups



Source: Elaborated by the authors with data from the Brasil (2021a).

In 2019, the individual parliamentary amendments were around BRL 9.1 billion, while the amendments of parliamentary groups reached BRL 4.6 billion (about 50% less). The amendments amounts from individuals and parliamentary groups changed significantly in 2020, with the latter increasing 111% (BRL 4.6 billion to BRL 9.7 billion). This phenomenon occurred due to the EC 100/2019, making it mandatory to execute amendments to the budget proposed by parliamentary groups. The change in weight in the decision process between the Chamber of Deputies and the Senate also may have influenced the management of coalitions, creating an imbalance of interests and forces between parliamentary groups formed of members from different parties (Abranches, 2018).

Reflections on amendments to the budget proposed by individual and parliamentary groups contribute to analyzing coalitional presidentialism. Brazil centralizes resources at the federal level, and the problems generated by the distortions in the agenda of parliamentary amendments can explain the budgetary imbalances. In this context, Volpe (2019) highlights that the president invariably needs the support of deputies and senators to approve the legislation of interest to the government.

The constitutional amendments that made the execution of parliamentary amendments mandatory to the budget law were enacted in 2015 and 2019. These requirements affected the relationship between the legislative and the executive branches by giving more power and autonomy to legislators. However, the process of appreciating and approving the federal



government's public budget has shed light on parliamentary amendments, especially in a political context of populism, ideological disputes, and fragile public governance.

Although many of the parliamentary amendments are directed to health and disadvantaged regions, other areas have to be addressed, particularly in recovering from the COVID-19 pandemic. Social and economic sectors need government support to be restructured, which requires a debate on priorities considering the context of less public revenue.

## 5. FINAL CONSIDERATIONS

The debate over parliamentary amendments to the budget law has highlighted the difficulties of Brazilian fiscal federalism and the decentralization of public resources. Against this backdrop, this research sought to characterize the resource allocation through parliamentary amendments to the federal government's budget from 2019 to 2020.

The findings point to an increase in Congress' bargaining power, demonstrating that making the execution of parliamentary amendments mandatory changed the relationship between the legislative and executive branches. Parliamentary amendments to the public budget are still considered an asset in negotiations to pass laws required to implement the executive's programs, considering the Brazilian electoral system and the coalitional presidentialism in place – which have changed since the 1988 Federal Constitution with an increasing transference of power to members of Congress. The two years studied showed that the highest amounts of parliamentary amendments to the budget law approved were the amendments of the budget rapporteur (even though they were not fully executed and paid).

When analyzing the amounts directed to states, São Paulo obtained the most significant volume of resources paid. The areas where resources have been primarily allocated are health, welfare, urban planning, administration, and education. As for the analysis of amendments from individuals and parliamentary groups, the execution of the latter more than doubled in 2020 after the EC 100/2019, when these collective amendments became mandatory. The increase in amendments to the public budget and amounts approved in the budget law since 2019 (also a consequence of the EC 100/2019) suggests that the executive branch lost power in the relationship with Congress.

The mandatory execution of parliamentary amendments, added to the increase of the Senate's power in Congress, can be understood as central elements of the issues faced by Brazilian federalism, particularly that of governability. The debate echoes the type of public budget used in Brazil, where the executive branch may not execute the expenses determined, as long as justifiably. Overlapping norms, mischaracterization of the political balance, the significant increase in the number of parties, and the great polarization have hindered the governance in the country.

Media debates have highlighted the problems generated by coalitional presidentialism and unbalanced fiscal federalism. The crisis caused by the pandemic also demonstrates the weaknesses of this system. In such circumstances, it is challenging to project expenditure for each level of government and calculate the tax burden necessary to balance the finances of each government level.

The reorganization of the federative pact could be considered an alternative to address these challenges. Many scholars have pointed to the need for tax, political, and administrative reforms. There is undoubtedly a need for a massive effort in budgetary and political governance, with engagement from the entire society to overcome the challenges around Brazilian public finances. This research pointed out the need for future studies monitoring resource allocation through parliamentary amendments to the public budget and their connection with a broader and longer-term agenda for the country.

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