

# THE INTERVENTIONIST STATE, ECONOMIC LIBERALISM, AND THE CURRENT ECONOMIC MODEL ACCORDING TO THE 1988 CONSTITUTION

## O ESTADO INTERVENCIONISTA, O LIBERALISMO ECONÔMICO E O ATUAL MODELO ECONÔMICO CONFORME A CONSTITUIÇÃO DE 1988

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### RESUMO

O presente artigo analisa a relação entre o intervencionismo estatal, o liberalismo econômico e o modelo econômico vigente no Brasil a partir da Constituição de 1988. O estudo tem como objetivo apresentar os conceitos de intervencionismo, liberalismo e neoliberalismo, discutir a transição histórica entre esses modelos e examinar a abordagem híbrida adotada pela Constituição brasileira. A metodologia utilizada consiste em uma revisão bibliográfica e na análise da Constituição de 1988 para compreender como a intervenção do Estado na economia e a valorização da livre iniciativa coexistem no contexto brasileiro. O artigo explora a influência do pensamento keynesiano e do Estado de Bem-Estar Social na concepção do intervencionismo, contrastando com as ideias de Adam Smith e do liberalismo econômico, que defendem a mínima participação estatal no mercado. Como resultado, o estudo conclui que o Brasil adota um modelo econômico misto, que combina elementos do intervencionismo e do liberalismo. A Constituição de 1988 reconhece o papel do Estado na regulação do mercado e na promoção da justiça social, ao mesmo tempo que valoriza a livre iniciativa como motor do crescimento econômico. Dessa forma, o modelo econômico brasileiro busca equilibrar desenvolvimento e equidade social, adaptando-se às particularidades do país.

**Palavras-Chave:** Intervencionismo. Liberalismo Econômico. Neoliberalismo.

### ABSTRACT

This article analyzes the relationship between state interventionism, economic liberalism, and the current economic model in Brazil based on the 1988 Constitution. The study aims to present the concepts of interventionism, liberalism, and neoliberalism, discuss the historical transition between these models, and examine the hybrid approach adopted by the Brazilian Constitution. The methodology consists of a bibliographic review and an analysis of the 1988 Constitution to understand

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how state intervention in the economy and the promotion of free enterprise coexist in the Brazilian context. The article explores the influence of Keynesian thought and the Welfare State in shaping interventionism, contrasting it with the ideas of Adam Smith and economic liberalism, which advocate minimal state participation in the market. As a result, the study concludes that Brazil adopts a mixed economic model that combines elements of interventionism and liberalism. The 1988 Constitution recognizes the state's role in market regulation and the promotion of social justice while valuing free enterprise as a driving force for economic growth. Thus, the Brazilian economic model seeks to balance development and social equity, adapting to the country's specificities.

**Keywords:** Interventionism. Economic Liberalism. Neoliberalism.

## **INTRODUCTION**

This study deals with interventionism, economic liberalism and the current economic model according to the Constitution of 1988. Initially, it is important to give space for conceptualization of the terms used in this research and for historical framing of each of the economic models presented.

The first chapter will deal with interventionism linked to the economic activity of the country, focusing on the regulation of the private sector, not only setting the rules of the market, but also acting in other ways, in order to achieve objectives ranging from the first stimulus to growth of the economy to the reduction of inequalities to the growth of employment and wages, or the correction of the so-called market failures. Highlighting the Keynesian doctrine, by John Maynard Keynes, British economist, great advocate of interventionism in the 1930s.

In the second chapter, economic liberalism will be presented as a thought opposed to interventionism, preached the non-intervention of the State in economic activities. Adam Smith, the main name of this movement and responsible for spreading liberal ideas, such as the "invisible hand" that acts on the State, in various countries of the world.

Finally, the third chapter deals with the national economy from the perspective of the economic bias of the Constitution of 1988. And how, after a long way in the previous models, arrived at the hybrid form of the Economic Neoliberalism. Main characteristics and when they were adopted in the country.

## **1 INTERVENTIONIST STATE**

### **1.1 Origin and concept**

Still rooted in the idea of an Absolute State, dominant and controlling, which has lost strength with mercantilist practice, the Interventor State tirelessly seeks to maintain itself in power, or at least retain it as much as possible. Observing the movement of the time, without losing focus on the

accumulation of wealth, when developing mercantile activity the State assumes an interventionist role in the economy, implementing protectionist economic policies, with the aim of favoring domestic activities in the face of foreign competition, also contributing to the creation of state monopolies. Thus, the Interventionist State gains strength.

Conceptualizing Interventionist State is not a simple task, nor can it be attributed to only one thinker, philosopher or doctrinator. After a careful reading, we examined a common synthesis that can be attributed to great names like John Maynard Keynes, Friedrich Hayek, Milton Friedman, John Rawls, Émile Durkheim, Adam Smith that Interventionist State refers to a model of government in which the State plays a proactive role in the economy and society, intervening in various aspects of social, economic and political life. Instead of adopting a "non-intervention" or totally free market approach (as in classical liberalism), the Interventionist State seeks to regulate, agree and even control certain sectors in order to ensure welfare state, economic development and social justice. For example, the State can regulate markets and companies to ensure that business practices are fair, protect consumer rights and prevent abuses of economic power such as monopolies.

In the economy, state interventionism is directly linked to the economic activity of the country, with focus on regulating the private sector, not only setting the rules of the market, but also acting in other ways, in order to achieve objectives ranging from the first stimulus to growth of the economy and the reduction of inequalities to the growth of the level of employment and wages, or the correction of the so-called market failures. The typical interventions of modern governments in the economy occur within the definition of taxes, fixing the minimum wage, public service tariffs and subsidies.

For Professor André Ramos Tavares (2011) there are two forms of intervention, let's see:

A intervenção estatal no domínio econômico pode ocorrer de maneira direta ou indireta, adotadas as expressões nos termos a seguir expostos.

A intervenção estatal indireta refere-se à cobrança de tributos, concessão de subsídios, subvenções, benefícios fiscais e creditícios e, de maneira geral, à regulamentação normativa de atividades econômicas, a serem primariamente desenvolvidas pelos particulares.

Na intervenção direta o Estado participa ativamente, de maneira concreta, na economia, na condição de produtor de bens ou serviços, ao lado dos particulares ou como se particular fosse. Trata-se, nesta última hipótese, do Estado enquanto agente econômico (Tavares, 2011).

As pointed out by Eros Roberto Grau (1997):

No caso das normas de intervenção por direção estamos diante de comandos imperativos, dotados de cogência, impositivos de certos comportamentos a serem necessariamente cumpridos pelos agentes que atuam no campo da atividade econômica em sentido estrito – inclusive pelas próprias empresas estatais que a exploram. Norma típica de intervenção por direção é a que instrumenta controle de preços, para tabelá-los ou congelá-los (Grau, 1997, p. 157).

Initially, society was not economically developed in the current existing model, so it was necessary to go through numerous regional and global social changes to be recognized as an organized form of life. In this first moment, it is possible to contemplate absolutist regimes being elevated as a possible solution, but that in the course of time has been overcome by a more modern and liberal ideal. In analysis, Dalmo de Abreu Dallari (1991) states that

O Estado moderno nasceu absolutista e durante alguns séculos todos os efeitos e virtudes do monarca absoluto foram confundidos com as qualidades do Estado. Isso explica por que já no século XVIII o poder público era visto como inimigo da liberdade individual, e qualquer restrição ao individual em favor do coletivo era tida como ilegítima. Essa foi a raiz individualista do Estado Liberal. Ao mesmo tempo, a burguesia enriquecida, que já dispunha do poder econômico, preconizava a intervenção mínima do Estado na vida social, considerando a liberdade contratual um direito natural do indivíduo (Dallari, 1991, p. 233).

This first interventionist moment was strongly opposed by illustrious masters and liberal thinkers like John Locke and Adam Smith, between the seventeenth and eighteenth centuries. Locke argues that before there was a society constituted as such, that is, in the state of nature, men lived well, in harmony and there was individual property. And what men lacked was a social contract that guaranteed this ownership of other natural rights, such as life and freedom. Smith argues that the role of the State in the economy should correspond only to the protection of society against possible attacks, and the creation and maintenance of necessary works and institutions, but not to the intervention in market laws and consequently in economic practice.

Adam Smith further states that the defense of the market as regulator of economic decisions of a nation would bring many benefits to the collectivity, regardless of the action of the State. With this, we have the principle of liberalism, which is nothing more than a restriction to the attributions of the State in favor of the initiative of the particular.

In an analysis of this past moment, the always updated doctrinator Pedro Lenza interprets that "the classical institutes of property right and the autonomy of private will were sufficient to regulate economic activity, even because primitive capitalism preached self-regulation without any state interference in the economy" (Lenza, 2023, p. 1.140).

## **1.2 Keynesiana Doctrine**

John Maynard Keynes, British economist, exponent of interventionism and author of the post-war work on "The General Theory of Employment, Interest and Currency", titled the Keynesian theory that was promptly adopted by the US State and began to adhere to interventionist ideas. Gunnar Myrdal, a Swedish economist, created something very similar to the doctrine of Keynes and that was very well accepted and adopted by countries in Europe. The model created by Myrdal, known as

welfare state (in Portuguese, State of Social Welfare), assigns to the State the promotion of social rights and consequently the public policies necessary to implement them<sup>5</sup>.

Keynesian school or Keynesianism is a political-economic doctrine that defends the State as an active agent against recession and unemployment. For, as has already been said, it is expected from the State a more active conduct in the economy of a country, Keynesianism generated an opposition to Liberalism, which defends the minimum State. Until the emergence of this theory, facing recession was an exercise in impossibilities, given the lack of knowledge on the subject (Keynes, 2012).

At the beginning of the twentieth century, the dominant thought was still that of classical economics, in which the economy had to recover on its own in periods of crisis, known as the laissez-faire principle. At the same time, the British economist John Keynes was trying to understand why the workers of the country were losing their jobs during a crisis, even if they agreed to receive less in exchange for maintaining them (Keynes, 2012).

With the crisis of 1929, caused by the collapse of the New York Stock Exchange, the world plunges into a serious recession, and Keynes is one of the first economists to realize that the free market could not solve this problem. In general, the prices of goods and services fall with the crisis, but wages do not, increasing unemployment. The solution, for Keynes, would be to re-expand the economy through new government spending, which would enable job creation. With this, the State would start to have an active role, reaching the so-called Full Employment, scenario in which there is only certain natural unemployment and out of the state of crisis. The ideas of the Keynesian Theory emerged at the same time as the US government made the New Deal plan, increasing public spending for recovery after the Crisis of 1929 (Keynes, 2012).

### **1.3 Welfare State**

According to Delgado (2019), "the Welfare State (EBES), seen as one of the most sophisticated, comprehensive and successful constructions of Western civilization, was essentially born in the leading countries of capitalism in Western Europe.

The Welfare State is seen as the great provider of policies promoting social rights. Practically all the explanatory theories for EBES are oriented to the implementation of public policies of the most diverse orders, as exemplified by Delgado in his work on the subject.

In the Welfare State, it is duty of the government to guarantee individuals what is called, in Brazil, social rights: minimum conditions in the areas of health, education, housing, social security,

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<sup>5</sup>Keynes, John Maynard. *A Teoria Geral do Emprego, do Juro e da Moeda*, São Paulo. Saraiva, 2012.

among others. In addition, in times of crisis and unemployment, the State must intervene in the economy so that it seeks to maintain the income and work of people affected by the situation in the country. This was done, for example, in the USA in the 1930s, when unemployment levels exceeded 25%. Another central point of the Welfare State is the existence of labor laws that establish rules in the relations between employee and employer, such as minimum wage, maximum daily working time, unemployment insurance etc. (Delgado, 2019).

O Estado que surge sob essa nova visão do intervencionismo é o chamado Estado do bem-estar social (Welfare State), cuja eficácia, contudo, encontra-se, agora, igualmente questionada em seus fundamentos. Realmente, o modelo proposto revelou, de maneira inequívoca, a ineficácia da atuação estatal. Constatou-se a incapacidade do Estado em atuar no cenário de concorrência, especialmente em um contexto globalizado. As dificuldades de gerenciamento da máquina estatal levaram à ineficiência do modelo intervencionista-social. (Tavares, 2011, p. 211).

For Tavares (2011), "the reproduction of the Welfare State model was largely responsible for the financial crisis that, since the 1980s, has been shaking the structures of numerous States, i.e., those who have assumed activities above their capacity, generating the explosion of the public deficit, because of this provision of services and massive economic performance".

In this same prism, emphasizes Merrien (2019)

Cuidar dos excluídos da sociedade “pós-industrial” aumenta o custo do social enquanto se reduzem as receitas físicas e sociais do “Estado Social”. Ao mesmo tempo, o aumento da expectativa de vida e a queda da taxa de natalidade contribuem mecanicamente para acentuar o envelhecimento da população e, conseqüentemente, para o aumento considerável das despesas com aposentadorias e saúde. A situação é preocupante, não apenas em razão da diminuição dos nascimentos e do aumento da duração da vida, mas também porque os jovens entram tardiamente na vida profissional ativa e os trabalhadores ativos estão aposentando mais cedo e vivendo mais. Neste sentido torna-se difícil manter, ao mesmo tempo, o pleno emprego, a estabilidade do orçamento público e o nível da proteção social (Merrien, 2019, p. 202).

However, as economic, demographic and political challenges intensify, the social state needs to adjust itself to the maintenance capacity of the measures that mark the existence of the Welfare State; thus, it will be necessary to reinvent itself and adapt to new realities. This will be decisive for its survival and relevance in the future. What may involve the adoption of structural reforms and innovation in public policies already adopted.

## **2 ECONOMIC LIBERALISM**

### **2.1 Origin and concept**

In the 18<sup>th</sup> century, there was an important movement against the interventionist state. Several economists stated that the State should not intervene in economic activity, its function would only be to promote conditions for whatever activity was developed, and it follows its natural course, i.e. the

self-regulation of the State, as preached by Adam Smith, economist and author of the most accepted economic theory in the middle. The ideas defended in economic liberalism were very clear and specific; they proposed free competition, that is, the application of the already known law of supply and demand.

For Smith, interventions in the economy were not necessary, since the market itself had its own mechanisms of regulation: the so-called "invisible hand", which would be responsible for bringing benefits to the whole society, as well as promoting widespread evolution.

Bobbio (1998) teaches that liberalism is the doctrine of the minimum state: the State is a necessary evil, but it is an evil. One cannot leave aside the State and therefore no anarchy, but the sphere to which political power extends (that is the power to put people in jail) must be reduced to a minimum.

The foundation of liberalism, in addition to non-interventionism, is the absolute respect for individual freedoms in the performance of the State. Liberalism cherishes the need to guarantee individual freedom as it considers it indispensable for men to achieve their satisfaction (Tavares, 2011).

## **2.2 Adam Smith Thought**

Adam Smith is considered the father of liberalism and founder of the classical school. In his book: "The Wealth of Nations", Smith states that the free market would self-regulate itself, without the need for State intervention, as if there were an "invisible hand". Thus, the economic growth and progress of a nation would be achieved with a free society, in which people act according to their personal interests.

In the same period it comes the expression in French "laissez faire, laissez passer" (let it do, let it pass). This concept reinforces the guiding principle of liberalism, the defense of economic freedom. For liberals, the individual is the economic agent and, for this reason, the State should not interfere in economic activities with many rules. If there is any mismatch, the market itself will correct it naturally, that is, it is self-regulatory.

Free competition encompasses the freedom for trade to produce, price and control the quality of production. The market itself, with its law of supply and demand, would adjust the demand and the value of goods, without the need for State interference (Figueiredo, 1997).

The "free exchange", in turn, aims to reduce customs rates that lead to protectionism. Thus, each country should specialize only in the articles that had the capacity to produce in advantage in comparison with other nations.

It would be a kind of international division of labor, with each country maintaining its own productive tradition. In the eighteenth century, however, when there were colonies, liberalism stated that some countries should provide only agricultural products, while others would compete with industrialized goods.

### **2.3 The crisis of Liberalism**

After the Second World War (1939-1945), the liberal movement loses a lot of strength and practically all the space conquered. The successive wars not only destroyed cities and people, they caused a serious collapse in the economy. Seeking ways to get up, using strong arguments and bringing the responsibility for the State to promote this turn, gains strength Keynesian theory, accepted by the United States for the formulation of the New Deal.

The New Deal was influenced by the economic theory of John Maynard Keynes, a British economist who pointed out the need for the economic mediation of the state to ensure the well-being of the population, an action that liberalism would be unable to perform. The objective was to create conditions for the reduction of unemployment, through the articulation of state and private investments. Adopting measures such as: the devaluation of the dollar to make exports more competitive; loans to banks to avoid failures in the financial system; creation of the social security system, with emphasis on unemployment insurance and the Law of Security of 1935; right of trade union organization; encouragement to agricultural production; construction of a large amount of public works, with emphasis on hydroelectric and highways.

It was the perfect system, because it stimulated the hiring of workers, creating a great situation of full employment, making the population economically active, promoting important social security actions and heating industrial, agricultural and service production at all levels. As the fulcrum of avoiding violent conflicts, guaranteeing social order, there was a growing participation of trade union entities for negotiations. Undoubtedly, this perspective of economic performance favored the capitalist regime of the State that was seen as an integrated mode of production, in which the increase in consumption, especially by workers, would stimulate a chain development of all economic sectors (Tavares, 2011).

But as there is no perfect economic regime, in 1970 serious crises begin to destabilize the economy, putting once again in check the current system, this time capitalism begins to lose strength, and the measures of Keynes are replaced by a movement called Economic Neo Liberalism, that is being adopted in several countries, even in Brazil.



### 3 THE CAPITALIST ORGANIZATION IN THE BRAZILIAN CONSTITUTION

#### 3.1 Neo Liberalism

Conceptualizing, "Neo Liberalism can be freely defined as a set of political and economic ideas of capitalist origin that defends the non-intervention of the state in the economy, allowing total freedom of trade that promotes and guarantees the economic growth and social development of a country" (Liberati, 20).

Neoliberalismo. Doutrina político-econômica que representa uma tentativa de adaptar os princípios do liberalismo econômico às condições do capitalismo moderno. Defende a ideia de que a vida econômica é regida por uma ordem natural formada a partir das livres decisões individuais. Mas acha que há necessidade de disciplinar a economia de mercado na medida suficiente para garantir a sobrevivência deste modelo. Alguns adeptos do Neoliberalismo pregam a defesa da pequena empresa e o combate aos grandes monopólios na linha antitruste dos Estados Unidos. No plano social, o Neoliberalismo defende a limitação da herança e das grandes fortunas e o estabelecimento de condições de igualdade que possibilitem a concorrência (Houaiss, 2011, p. 49).

As an economic system, it is based on the presence of the State in the development of economic activity, seeking to strengthen the market, promoting denationalization, but without losing its autonomy and financial efficiency, fostering the balance and improvement of the administrative machine.

Neo Liberalism had as main defenders Friedrich A. Hayek and Milton Friedman, and, like the classical liberal doctrine, believes in *laissez-faire*, should the State create conditions for the maintenance of market logic, to stimulate the financial system, to keep the capital market healthy, in short, to keep the candle of capitalism burning (Aranha, 1997).

According to the Neo Liberalism, the State should be among the main measures open to international trade; guarantee macroeconomic stability; make the privatization of state enterprises by creating regulatory agencies; make fiscal adjustment to guarantee the payment of debts with international creditors; eliminate restrictions on external investments; reduce public spending; modernize labor legislation to attract investment and maintain fiscal austerity (Matteucci, 1998).

In 1989, US economists formed the so-called Washington Consensus and formulated a series of macroeconomic measures to be followed by member countries of the International Monetary Fund (IMF). The nature of the measures is liberalizing: trade opening, state privatization, reduction of public spending, tax reform, among others.

In short, they defended privatizations, the reduction of civil servers (minimum state) and the opening of the internal market. The theories of Neo Liberalism, as an economic model, were applied all over the world, even in Brazil, during the government of the president of the Republic, Fernando.

### 3.2 The current Brazilian economic model

The Constitution of 1988, known as the "Constitution of the Citizen," distributed the principles and guidelines that guide the economic model of Brazil. Since its promulgation, the country has committed to adopt an economy that seeks to balance economic growth with social justice, which would be reflected in minimal preservation of the welfare state.

The Brazilian Constitution, promulgated in 1988, following the example of its predecessors, since the Constitution of 1934, all inspired by the Mexican Constitutions, 1917 and the German, 1988, reserved a chapter to deal with the Economic Order:

Dos Princípios Gerais da Atividade Econômica

Art. 170. A ordem econômica, fundada na valorização do trabalho humano e na livre iniciativa, tem por fim assegurar a todos existência digna, conforme os ditames da justiça social, observados os seguintes princípios:

I - soberania nacional;

II - propriedade privada;

III - função social da propriedade;

IV - livre concorrência;

V - defesa do consumidor;

VI - defesa do meio ambiente;

VII - redução das desigualdades regionais e sociais;

VIII - busca do pleno emprego;

IX - tratamento favorecido para as empresas brasileiras de capital nacional de pequeno porte.

Parágrafo único. É assegurado a todos o livre exercício de qualquer atividade econômica, independentemente de autorização de órgãos públicos, salvo nos casos previstos em lei.

The mentioned article establishes the foundations of the economic order, as well as the general principles of economic activity, whose objectives are to promote the development of the market without losing sight of the foundations of human dignity and social justice. Thus, it can be affirmed that the main purpose of the economic order is to ensure a dignified existence for all, satisfying the needs of the collectivity.

The correlation of the issues addressed in the Law follows the majority understanding according to the precept of Manoel Gonçalves Ferreira Filho (2002, p. 89), "democracy cannot develop unless economic organization is conducive to it".

Paulo Henrique Rocha Scott, analyzing the Brazilian constitutional reality, identifies two founding elements of the economic order:

[...] a valorização do trabalho e a livre iniciativa. Ressalta o autor que "a sua presença no caput do artigo 170 da Constituição, cabe destacar, não consubstancia mero enunciado descritivo, mas a intenção clara de construção de uma norma condicionadora, por meio da qual ficassem legitimamente fixados - sem possibilidade de novos debates, novos questionamentos de ordem política e jurídica - os pontos de partida, os alicerces, o 'lugar comum retórico de essência' sem o "qual não se pode falar da existência de uma ordem econômica institucional brasileira" (Scott, 2000).

The Constitution of 1988 can be considered as a legal framework for the democratic transition and institutionalization of human rights in Brazil. It consolidates the rupture with the authoritarian military regime, characterized, according to Flávia Piovesan (2003, p. 216), "by the suppression of constitutional rights, by the hypertrophy of the Executive Power in relation to the other Powers and by the federative centralism in the Union, to the detriment of the autonomy of the States".

For Flávia Piovesan, the Constitutional System of 1988 brings the design of an interventionist State, focused on welfare state, because it reinforces the idea that state participation is indispensable in many aspects, especially in the social field<sup>6</sup>. Thus, it would be possible to consider "Neoliberalism" as a third option to liberalism and interventionism, a "hybrid" form if that is possible.

Although possible, applicable and even recognized in several countries, such as Brazil, there are doctrinal currents that totally disagree, like those defended by Eros Grau, he emphatically says that it is totally incompatible the coexistence of traits of liberalism and interventionism.

Eros Roberto Grau states that, "being the Constitution a system endowed with coherence, it is not assumed contradiction among its rules, because otherwise we would be admitting the absurdity of the Constitution of 1988 there would be two economic orders, one neoliberal and another interventionist" (Degree, 2010).

About the economic model adopted by Brazil, Eros Roberto Grau concludes that the "Constitution of 1988 projects the installation of a society structured according to the model of the *Welfare State*, aiming precisely at the consolidation of democracy". For him "there is an economic model defined in the economic order in the Constitution of 1988, drawn on the affirmation of protection points against extreme changes, which he describes "as a welfare model" (Grau, 2010).

The Constitution addresses the importance of economic stability and control of inflation, which should be pursued with the help of monetary and fiscal policies. This includes the regulation of the financial system, the control of currency and interest rate, and the action of the Central Bank, which is an institution that must act to ensure the stability of the currency, control inflation and exchange policy. Although the Central Bank has autonomy, its actions must always be aligned with the principles established by the Constitution.

The Charter of 1988 also guarantees a series of labor rights, promoting a welfare economy with worker protection. This includes the right to reduced working hours, minimum wage, paid weekly rest, holidays, among other rights. In addition, it establishes the bases of the national tax system, with rules

aimed at ensuring fiscal justice and the redistribution of wealth. Taxation should be progressive, that is, who has more ability to pay should contribute more, and the system should be transparent.

The Brazilian economic model, as provided for in the Constitution of 1988, is characterized by a mixed economy, in which there is a balance between market freedom and state intervention, always with the concern of promoting social welfare and reducing inequalities. The Constitution reinforces the idea that the economy should be guided by principles of social justice, sustainability and regional development, with protection of the rights of workers.

## **CONCLUSION**

The present study sought to contribute to the debate regarding the interventionist state, economic liberalism and the current economic model according to the Constitution of 1988.

To do so, it was necessary to go through the main characteristics of each economic model discussed here and, from each concept and each thinker, draw the appropriate conclusions with the aim of defining the current Brazilian economic model.

The serious economic crises, often preceded by long periods of war, were largely responsible for the incessant search for an "ideal economic model". On this journey, several thinkers and scholars stood out, such as John Maynard Keynes, a great advocate of economic interventionism and creator of the Keynesian doctrine, which inspired the New Deal and Welfare State - State of Social Welfare. And Adam Smith, great name of the economic Liberalism. The ideas defended in economic liberalism were very clear and specific; they proposed free competition, the law of supply and demand.

Although both models had several positive points and were well accepted from their proposal, none was firm as expected. The much desired economic stability had not yet been achieved. What, in fact, many economists classify as a great world bottleneck.

Between the 70s and 80s, Neo Liberalism emerged, seen by many as a hybrid form of the two previous models. Well accepted by numerous countries, among them great powers such as the United States, adhered to the neo-liberal doctrine. This, in turn, defended the privatizations, the reduction of civil servers (minimum state) and the opening of the internal market.

The Constitution of 1988 clearly states several of the rules proposed in this hybrid model. As stated by Flávia Piovesan, the Constitutional System of 1988 brings the design of an interventionist State, focused on state welfare, because it reinforces the idea that state participation is essential in many aspects, especially in the social field. Thus, it is concluded that the Brazilian economic model currently adopts a Neo liberalist posture.

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