

BRAZIL

An Unfolding Tragedy

By Peter Evans

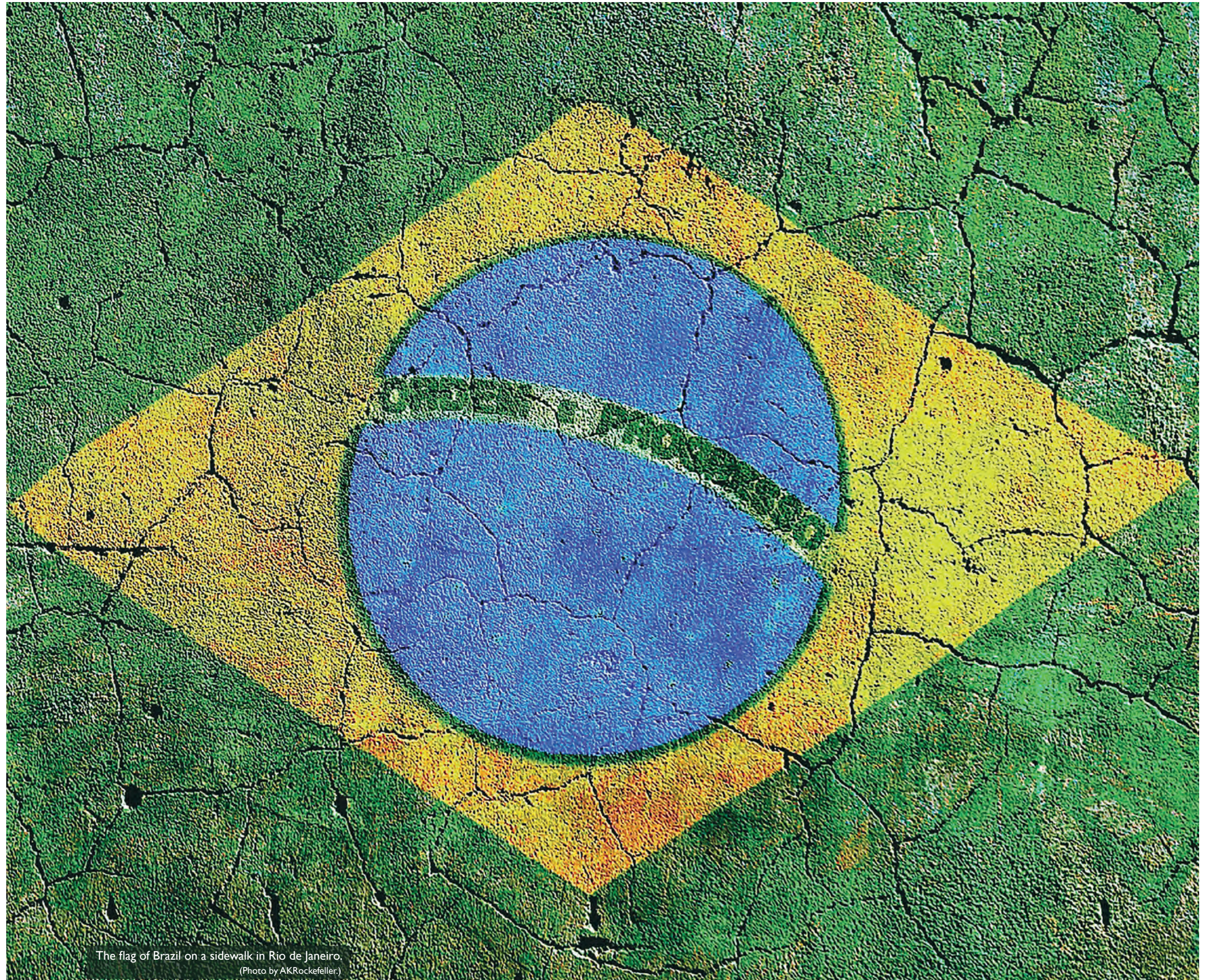
The full-blown political tragedy of Brazil's 2018 presidential elections was only lurking as a frightening possibility when Dilma Rousseff (President of Brazil, 2011-2016) gave her speech at UC Berkeley in April 2018. Nonetheless, her address provided a cogent summary of the perverse dynamics that led to the outcome of the October 2018 elections. President Rousseff offered us an analysis of the startling series of transitions that have transformed Brazil in four short years since her election, drawing on her experience as a central actor in the drama, her expertise as a political economist, and her political commitment to building a more politically and economically equitable Brazil.

Brazil's cascade of transitions started with the shift from the unusual social and economic successes of the early years of the 21st century, led by elected administrations of the Workers' Party (hereafter "PT," the acronym for Partido dos Trabalhadores), to the regressive regime of Michel Temer, installed in August 2016 through what is best described as a "legislative coup." The next transition in January 2019, to a regime dominated by Jair Bolsonaro and his allies, will reinforce and extend the regressive policies of the Temer administration, adding a new level of vicious authoritarian repression. The contrasts between these three regimes are not difficult to set out. The challenge is to offer a plausible account of the dynamics that enabled the transition from the first to the second and from the second to the third.

The temptation is to focus all our attention on the most recent transition — after all, it represents the most significant political shift in Brazil since the redemocratization of the 1980s — but understanding this triumph of reaction requires setting it in a larger context. President Rousseff's address offered an excellent start, highlighting the character of the first of these regimes, which she helped construct.

Though Rousseff is an economist with a sophisticated understanding of how the Brazilian economy operates, her presentation at UC Berkeley defined the successes of PT administrations in a simple and straightforward way: improved lives for ordinary Brazilians. The concrete policy manifestations were "expanding the population's

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The flag of Brazil on a sidewalk in Rio de Janeiro.
(Photo by AKRockefeller.)



Photo by Jefferson Rudy/Agência Senado

A woman displays a Bolsa Família card.

access to services, such as education, health, and other services that the Brazilian population never had, from electricity to running water, but above all, education.” Perhaps even more important was change in the vision that poor people had of their future: “We gave people hope that their children would have a better life than they did.” For Rousseff, “knowing that people believed that they would have a better life” was her “greatest pride as president of Brazil.”

The expansion of social security programs, such as the BPC (Benefício de Prestação Continuada), and of rural and special pension regimes were part of the general expansion of the social safety net. Perhaps most well known is the Bolsa Família program of conditional cash transfers. Bolsa Família reached tens of millions of very poor Brazilians. Even more important in terms of the magnitude of resources shifted to the poor was the reshaping of the labor market.

Under Luiz Inácio Lula da Silva (2003-2010) and Dilma Rousseff (2011-2016) — popularly known as “Lula” and “Dilma” — nearly four terms of PT administrations helped workers escape precarious work by “re-formalizing” the labor market. According to Berg (2010:7) the first decade of the 21st century saw “formal job growth outpacing informal job growth by a three-to-one ratio.” If

we take the decade between 2003 and 2013 as the period of reference, the share of “informal” workers in private sector jobs shrunk by almost 40 percent. The proportion of workers who are registered under the labor laws, and therefore have the formal rights that accrue under those laws, went up from slightly more than one-half of the labor force to 64 percent over the course of that decade. Perhaps the most important policy of all was increasing the real minimum wage.

The impact of statutory increases in the minimum wage went well beyond changes in the incomes of workers whose wages were directly affected. The level of the minimum wage is used as a reference point for workers who are still employed “informally” (i.e., outside the framework of labor legislation), generating an unofficial buoyant effect on their livelihoods. Perhaps even more important, Brazil’s 1988 Constitution tied a variety of non-wage incomes to the minimum wage, including pensions. Thus, the minimum wage serves as a kind of general “social wage,” with a broad impact on society as a whole. According to one estimate, 64 percent of the reduction in inequality in Brazil from 1995 to 2005 can be attributed to the increase in the minimum wage.

Strengthening the “social safety net,” combined with improvements in the labor market, changed overall levels

of economic well-being. Despite relatively modest overall economic growth, median household income rose by 30 percent between 2003 and 2013, indicating a more inclusive pattern of growth. The share of wages in the national income, which had declined during the liberalization of the 1990s, rose back to the level of the mid-1990s. Inequality, as measured by the Gini index, dropped from 0.55 to 0.50 between 2001 and 2012 (Brazilian Ministry of Planning, 2014:11), and the rate of income growth in the bottom quintile was three times income growth in the top quintile (Brazilian Ministry of Planning, 2014:16).

Even the World Bank concurred that the first three PT administrations constituted “golden years” from the point of view of ordinary Brazilians, summarizing the gains as follows:

“Brazil’s economic and social progress between 2003 and 2014 lifted 29 million people out of poverty and inequality dropped significantly (the Gini coefficient fell by 6.6 percentage points in the same period, from 58.1 down to 51.5). The income level of the poorest 40 percent of the population rose, on average, 7.1 percent (in real terms) between 2003 and 2014, compared to a 4.4 percent income growth for the population as a whole.”

If we “fast forward” four years from President Rousseff’s re-election in 2014 to 2018 when the Temer regime had largely completed its objectives, the direction of change has been reversed. The new regime’s insistence on reducing social expenditures by diverting government revenues to insure financial capital returns had changed the landscape of social protection. Fleury and Pinho (2018:30) summarize the welfare consequences of current government policy by saying, “Brazil has been undergoing an unprecedented process of destruction of its (incipient) welfare state.” Simultaneously, the new government has enacted what may be the most substantial regressive change in labor legislation in 75 years, forcing Brazil’s workers back into precarious work (Oliveira, 2018:334).

The abrupt and thorough nature of this transition is perplexing. The most powerful and parsimonious explanation sounds too simple: capitalist elites (dominated principally by finance capital) were unwilling to allow their interests to be prejudiced by democratic institutions, so they used their power to remake those institutions in a way that would produce results more consistent with their interests.

Their allies in the major “centrist” political parties had amassed sufficient institutional and political power

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Informal employment in Brazil.



Photo by Vaner Casates/AGECOM.



Photo by Rafael Matsunaga.

Stock traders watch prices fluctuate at a stock exchange in São Paulo.

to successfully carry out what amounted to a double coup — first impeaching Dilma and then eliminating Lula’s political rights. This is not to argue that they were able to achieve exactly the political results that they would have preferred, but they were unquestionably successful in shifting the rules of the game to their advantage. After four successive presidential elections won on platforms in which social protection and redistribution were key planks, they can enjoy the prospect of a political future in which they will not have to worry about these issues being taken seriously.

This is, admittedly, a harsh characterization of Brazilian elites and of Brazilian capitalism as a system. It suggests that the aegis of capitalism dooms the possibility of implementing redistributive agendas in the 21st century, at least in the Global South and perhaps in a broader set of countries not usually considered part of the Global South. Hopefully, this analysis is too harsh, but it is still a useful springboard for thinking about what has happened in Brazil.

Even if the proposition that political outcomes were driven primarily by the economic interests of elites at the expense of democracy is correct, crucial political and ideological dimensions must be added to the equation. Different ideological and political elements are primary

in each transition, and their effects are cumulative across the two transitions.

In order to understand the transition from Rousseff to Temer, the political analysis of the PT must be broadened. It must be recognized that the PT regimes were less robust and effective than they seemed, both in their ability to deliver the economic and social benefits necessary to cement the loyalty of their natural constituents and in terms of their ability to build the organizational and mobilizational infrastructure necessary to defend their agenda from elite attacks.

Once the transition from the PT administrations to Temer was accomplished, the seeds of the transition from Temer to Bolsonaro had been sowed, but key additional components played crucial roles. The Temer regime was a full success in delivering capital’s economic and social agenda but a dismal failure in creating political credibility. Lack of popular legitimacy made impossible the election of the next president from among the leadership of the main centrist parties — the Partido da Social Democracia Brasileira (PSDB, Brazilian Social Democracy Party) and the Partido do Movimento Democrático Brasileiro (PMDB, Brazilian Democratic Movement Party) — cutting off the most obvious path to continuation of the new regime.

To make matters worse for those with aspirations to continue the Temer regime’s agenda, the persistence of Lula’s political charisma meant that he continued to be a viable presidential candidate. He had to be eliminated from the electoral arena in order to ensure that austerity would continue unimpeded. Accomplishing this required a complex juridical dance in which the first move was the elevation of “anti-corruption” to the paramount position on the national political agenda to the exclusion of substantive policy agendas like equity and redistribution. The second move was leveraging this trope by engaging in “lawfare” to legally wipe Lula off the electoral map.

Even once the sequence is identified, fundamental political questions remain. First of all, why was it so easy to unseat what seemed to be, in Dilma’s first term, a “hegemonic” political project (Braga, 2012)? Viewed in comparative perspective, the PT was among the most effective progressive parties in the Global South. In the context of a national political economy thoroughly dominated by finance capital, the party’s success was historic. Nonetheless, the PT’s 21st-century story makes it clear that, within the limits imposed by contemporary capitalism, even the most progressive and effective government can deliver only a limited set of improvements

in people’s lives. Most jobs remained precarious, and the state’s capacity to deliver essential public services was still a project under construction. Decades of progress at a rate similar to that achieved from 2003 to 2014 would have been required to fully transform the lives of ordinary Brazilians and to fully gain their loyalty.

Could the PT have pushed the redistributive side of its economic program further or faster? Given the limits imposed by the overall conjuncture of Brazilian political institutions, the answer is “probably not.” Winning the presidency, even four times in a row, was not enough. The PT’s persistent inability to garner a majority in Congress left it constrained and vulnerable. Forced to rely on undependable and opportunistic parliamentary allies — principally the representatives affiliated with the PMDB — the PT had very limited political space.

Policies challenging the massive rates of returns that finance was able to appropriate at the expense of the productive side of the Brazilian economy were at the boundaries of what the PT could attempt. Dilma made more serious efforts than Lula in this direction, but her efforts came at a time when the favorable global economic conditions that had allowed the Brazilian economy to grow in the early years of the 21st century had begun to recede.

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Lula hands over the presidential sash to Dilma for her inauguration in 2011.



Photo by Celso Junior/Agência Estado/AE.



Photo by Semilla Luz.

Police fire tear gas grenades during 2013 protests in Brasília.

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Growth was already beginning to fade by 2014, and the economy shrank in 2015 and 2016, diminishing the ability of the government to deliver services and jobs to ordinary Brazilians and reinforcing the determination of economic elites to unseat the government. Pundits predictably refused to consider the downturn a cyclical problem typical of capitalist growth, attributing it instead to the effects of “populist” policies aimed at redistribution.

Despite these limits, the fact that the PT was unable to muster a more robust resistance to political attack during Dilma’s second term, given that the party had delivered substantial benefits to poor constituencies, is still puzzling. Brazilian social scientists have produced an impressive set of analyses dissecting the PT’s strategy and its flaws. The most telling critique is that a political strategy founded on building alliances with centrist parties and finance capital led to neglect of mobilization. This critique starts with the party’s relationship with its traditional union base. Even during Lula’s second term, researchers argued that the Central Única dos Trabalhadores (CUT, Central Labor Federation)

had abandoned its focus on organizing and mobilization (see Sluyter-Beltrão, 2010). As the economy faltered during Dilma’s second term, rebellion in the ranks of labor rose precipitously. According to Bastos (2018:17), the year of 2013 saw a record number of 2,050 strikes and the third-highest number of hours lost to strikes in Brazilian history.

The PT’s focus on alliances with centrist parties also had indirect corrosive effects. Relying on corrupt political allies led the PT to become involved in corrupt practices itself (most famously in the “mensalão” scandal of 2005; see Elizabeth McKenna’s article in this issue, beginning on page 14). Even if one adopts the least negative possible interpretation — that this corruption was in the service of passing progressive legislation, not enriching individual PT leaders — it was still fundamentally destructive of the way that ordinary Brazilians viewed the party.

Having acknowledged the structural limits of the PT’s political position, we must return to the two principle ideological components that were key to enabling the transition from Temer to Bolsonaro: sanctifying the fight

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against corruption as the paramount political value and crafting the strategy of “lawfare” that removed Lula from the political battlefield.

No one can oppose campaigns against corruption. The fact of corruption is indisputable in almost every political system and violates the formal norms of all of them. The ability of elites to prosper from corruption is a form of injustice that is much more straightforward and easy to understand than the structural effects of bad policy. Fighting corruption is the easiest way to win the loyalty of the middle classes. The best way to undermine a politician is to succeed in labeling them corrupt.

Once the PT had been tainted by connections to corruption, its claims to being a different sort of party, dedicated to pursuing programmatic ends rather than its own interests, were undermined. With the PT tainted, accusations of corruption against Lula seemed more plausible. This, in turn, opened the door to “lawfare.” Judge Sérgio Moro was able to mobilize the judiciary to pursue a dubious case against Lula with draconian speed and thoroughness, while better substantiated accusations of corruption against the leadership of the centrist parties (e.g., Michel Temer and Aécio Neves) were left unpursued.

The consequences of Lula’s elimination from the presidential race were overwhelming. Before he was imprisoned, Lula was polling more than 30 percent while Bolsonaro polled slightly more than one-half of that. As President Rousseff pointed out in her speech at UC Berkeley, the political failure of the centrist parties, combined with the removal of Lula via imprisonment, “opened up the political landscape of Brazil to the far right.” Perhaps more than any other single individual, Judge Sérgio Moro deserves credit for opening the door to Bolsonaro’s rise.

If the transition from Rousseff to Temer was shocking for its cynicism and disregard for democratic institutions, the transition from Temer to Bolsonaro is the most frightening sea change in Brazilian politics in recent history. Even the mild-mannered global media admit that Bolsonaro’s rhetorical stance is a jarring contrast to the relatively “civilized” tone that has dominated Brazil’s political discourse since the return of democratic elections in 1985. His avowed misogynist, racist, homophobic positions and fervent admiration for the military officers who overthrew Brazil’s democratically elected government in 1964, expressly including those who tortured civilian prisoners, are there for all to see. Bolsonaro exudes deprecatory animosity toward the full gamut of less-privileged

groups in Brazilian society, with women, blacks, and gays being the most prominent targets. His professed support for the torture or summary execution of drug dealers and other “extreme criminal elements” echoes President Rodrigo Duterte of the Philippines.

The extreme character of Bolsonaro’s positions raises the question of the relation between his rise and the interests of capital. Does his rise contradict the presumption of capital’s powerful role in shaping political outcomes? It might be argued that, unable to muster even a modicum of popular support for its preferred party vehicles and unwilling to accept another PT administration under any circumstances, economic elites were helpless in the face of this outsized “populist” persona. In this interpretation, they were blindsided by the results of their own political cleverness and forced to accept a candidate whose agenda was alien to their own. The “blindsided elites” interpretation neglects, however, a key element in Bolsonaro’s ascension.

In the sequence of Bolsonaro’s rise, the figure of Paulo Guedes rivals that of Judge Sérgio Moro. If Moro and his judicial allies did the negative work of removing Lula, Guedes did the positive work of building capital’s confidence that Bolsonaro’s economic agenda would serve their interests.

Guedes is a genuine “Chicago Boy.” His Chicago economics doctorate is just the beginning. More important, the policies he espouses are straight from the traditional neoliberal playbook. Guedes looked to Chilean economic policies as a model during the 1980s and took a university post in Chile during the Pinochet dictatorship. His projected agenda of economic policies includes completing the efforts to undermine the social safety net by attacking the social security system and engaging in “radical privatizations.” Guedes may be a naively ambitious advocate of free-market policies serving the financial elite, but he provided Bolsonaro with the necessary economic “seal of approval” and removed the stain of a possible affinity for “statism” created by Bolsonaro’s career in the military. After the November 2017 announcement that Guedes would be Bolsonaro’s finance minister, it was clear that the new administration’s economic agenda would be a more ambitious continuation of the Temer agenda.

In its post-Guedes version, the Bolsonaro agenda echoes the classic formula of successful fascist politicians in the pre-World War II era. It combines political authoritarianism, repression, and social reaction with strong support for capitalism and the prerogatives of capitalists, eschewing the sort of state-centered

nationalism that characterized key members of the 1970s military government.

Even given the door opened by Moro and the legitimacy in the eyes of finance capital provided by Guedes, it is still a challenge to explain Bolsonaro’s electoral success. If acceptability to finance capital were sufficient, Henrique Meirelles would have received more than 1 percent of the votes in the first round of the presidential contest. Meirelles spent 28 formative years working for the Bank of Boston, was selected by Lula to provide legitimacy with global capital as president of the Central Bank, and was Temer’s Finance Minister (2016-2018). Meirelles’s credentials as an expert on finance are vastly superior to those of Guedes (say nothing of Bolsonaro). Obviously the support of capital, even if necessary, is far from sufficient.

If Brazil’s political tragedy is going to yield useful lessons for the future, not just for Brazil, but for the global roster of countries facing analogous threats, the frightening level of popular support for Bolsonaro’s completely retrograde political values must be analyzed with care and dispassion. Here, only the most tentative and unsatisfying response is possible.

The most disheartening dimension of Bolsonaro’s support is the ease with which the legitimate rage of ordinary Brazilians was deflected from those who control economic power. Exploited and maltreated by Brazilian capitalism, the Brazilian middle classes chose to blame those even more dispossessed and oppressed who had benefitted from the PT’s redistributive policies. A satisfying understanding of how this was possible still remains beyond our grasp, but elements of the conundrum can be set out.

To begin with, deeply hierarchical historical threads of Brazilian culture remain in place. As President Rousseff said in her April address, “Our people have suffered a great deal. They have suffered under the heritage of 300 years of slavery. And the elite always thought that not only do these people have no rights, they don’t even have the right to be there.” Such affection for hierarchy extends beyond the elite. Resentment against the PT’s redistributive reforms permeated the whiter, more affluent segments of the middle class, some of whom, as Rousseff noted, complained that the PT was “turning the airports into public streets because regular people started

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Slave manacles outside a church in Minas Gerais.



Photo by Leodopemiranda.



A São Paulo rally supporting Fernando Haddad, with the anti-Bolsonaro slogan *Ele Não!* (Not Him!) in September 2018.

to fly.” A surprising number of educated members of the middle class considered the fact that “35 percent of all university graduates were the first of their families to earn a college degree” to be an affront to meritocratic values. And, of course, the retrograde threads in the popular political consciousness were amplified and exacerbated by a drumbeat litany in the media that Brazil’s problems could be solved by the simple combination of punishing corruption (hence the necessity of rejecting the full spectrum of the existing political class) and punishing violence (hence the necessity of subjecting the poor to unrestricted repression).

At the same time, ironically, disaffection with established politicians (even those with progressive agendas) reflected frustration over the limits of what was accomplished in terms of real improvements in ordinary people’s lives during the PT’s “golden years.” The apparent ineffectuality of normal democratic institutions made “extraordinary measures” like those proposed by Bolsonaro seem legitimate.

Is there any convincing counterpoint to what seems to be an unremittingly bleak political horizon in Brazil? Perhaps not, but it would be irresponsible to close leaving the impression that Brazil must be given up as a lost cause.

Even in the midst of the bleakness, positive threads should be recuperated.

First, in the current context, the PT’s hastily inserted substitute candidate, Fernando Haddad, performed better than the PT had reason to expect. While the presidential candidates of the PMDB and PSDB were immolated by Bolsonaro in the first round of voting, Haddad secured almost one-third of the presidential vote, and he went on to get 45 percent in the final round. Haddad’s victories in the states of the country’s poorest region, the Northeast, suggest that there is still a substantial segment of the population that appreciates their gains (however limited) during the PT administrations and would support a renovated effort to take up a progressive agenda once again.

Second, the progressive institutions constructed during the fight for re-democratization and the subsequent four decades, while definitely under siege, may not be as easily erased as Bolsonaro and Brazil’s elite might hope. From the Constitution of 1988 to the plethora of grassroots democratic initiatives that bubbled up and became part of Brazil’s institutional landscape (see Avritzer, 2002; Baiocchi, Heller, and Silva, 2011), there are myriad footholds for resistance to the reactionary tide.

Brazil is still the home of social movements that are admired around the world, for example the Movimento dos Trabalhadores Rurais Sem Terra (MST, Landless Workers Movement; see Tarlau, forthcoming). Guilherme Boulos, the leader of the MST’s urban analog, the Movimento dos Trabalhadores Sem Teto (MTST, Homeless Workers Movement), exhibited a charisma during the presidential campaign that far outpaced his electoral totals. And, despite being derided by its critics on the left as insufficiently militant, Brazil’s labor movement is still among the best organized in the world (see Evans, 2014). Finally, Bolsonaro’s repressive cadres will do their best to cut down future grassroots progressives, just as Marielle Franco, the black, openly gay city councilor was gunned down in Rio de Janeiro a few months before the election. But, more Marielles than they expect will slip through their nets — just as militants managed to survive during the military regime that waged the last round of repression a half century ago.

Dilma Rousseff herself is an example of political resilience. Asked at the end of her address in Berkeley whether she continued to find grounds for optimism, she responded that having been engaged in politics since the age of 15 and having been imprisoned for three

years and tortured, her optimism was still grounded in her conviction that “we are not just social beings, we are cooperators. It is not competition that defines social relations. It is cooperation. This conviction makes me an ‘optimist of the will.’” Emerging from defeat in the 2018 Senate race, Rousseff remained as determined as ever, saying: “Now we must struggle to form a broad alliance in support of democracy and against inequality. We will go forward together against hate, reaction, and violence.”

Acknowledgements, endnotes, and full references are online at clas.berkeley.edu.

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Dilma Rousseff served as the President of Brazil from 2011 to 2016. Her presentation in April 2018 was organized by the Center for Latin American Studies and co-sponsored by the Department of Sociology and the Charles & Louise Travers Department of Political Science at UC Berkeley.

“Colors and Dreams,” a tribute to Marielle Franco by Daniel Arrhakis (2018).

