



Brazilian President Jair Bolsonaro waves to supporters following his swearing-in ceremony, January 2019.

Photo by Silvia Izquierdo/AP Photo.

BRAZIL

The Life and Death of the New Republic?

By Elizabeth McKenna

Brazil is not for beginners, the saying goes. This much-repeated turn of phrase implies that a certain insider status is needed to understand the contradictions for which Brazil is famous: the communist party governor who praises capitalism; the women’s party made up of men; inequality levels that increase and decrease simultaneously, depending on how you measure them. After the dramatic arrest of Brazil’s larger-than-life former president Luiz Inácio “Lula” da Silva on April 7, 2018, journalist Antônio Prata wrote: “The reality is that since [the mass protests in 2013, Brazil] is not even for the initiated. It will take years — perhaps many — to understand the meaning of what is going on.”

Two weeks after Lula’s arrest, Brazil’s first female, twice-elected Worker’s Party (Partido dos Trabalhadores, henceforth PT) President Dilma Rousseff went on a speaking tour in the United States. In a lecture organized

by UC Berkeley’s Center for Latin American Studies and co-sponsored by the Departments of Political Science and Sociology, Rousseff — also an economist, former Minister of Mines and Energy, and a political prisoner for three years during the country’s 21-year military dictatorship — made plain the political motivations behind her impeachment (and Lula’s arrest). “Even the cobblestones in the streets of Brasilia and the ostriches that live on the grounds of the Palácio da Alvorada [the official residence of the president of Brazil] knew that this was just subterfuge,” she joked. At the same time, Rousseff admitted last April, Brazil is in the midst of a “dark time — nobody knows exactly what is happening. There is a high probability of an impasse, [or] an attempt to turn the [upcoming presidential] election into an open farce.”

The central motif of Rousseff’s talk was the series of coups, or *golpes*, that she and her supporters argue were

set in motion shortly after her narrow re-election in 2014. The coup is a familiar repertoire in Brazil. The country’s history is littered with examples, from an imperial coup to a “preventative” coup, from a military coup to what many describe as the “parliamentary” coup that led to Rousseff’s ouster in 2016. Different from the more brazen ruptures of the past, which she likened to chopping down a tree with a machete, today’s coups are more like arboreal parasites, corroding the system quietly from the inside. “When an elected president is overthrown without having committed high crimes, ... anything is possible,” she said.

Plutocratic Populism Comes to Brazil

The Brazil that was revealed at the ballot box exactly six months after Lula’s arrest confirmed that anything was, in fact, possible. It is difficult to overstate the extent to which the far right emerged victorious. They did so not by way of a coup d’état, but rather through procedural democracy. In the first round of the election on October 7, 2018, nearly 50 million Brazilians — one in three eligible voters — cast their ballot for Jair Messias Bolsonaro, a military captain turned seven-term congressman who made a career of maligning minorities and degrading democracy. Although Bolsonaro’s support spans class, race, gender, and geography, it has always been most pronounced among the country’s most affluent populations. If the

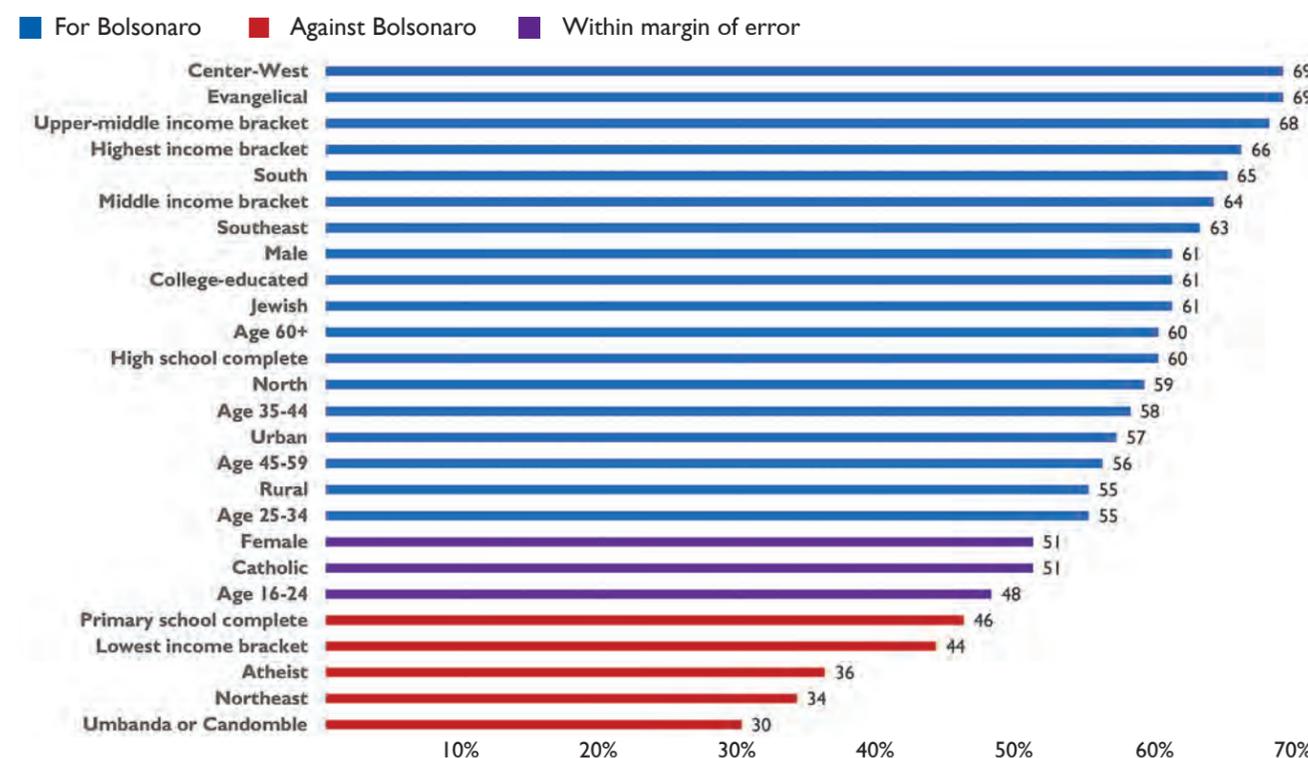
electorate were restricted to only Brazil’s wealthy, white, and college educated, Bolsonaro would have won in the first round of voting by a landslide. As shown in the figure below, the same is true for other key demographic groups. Evangelicals (one of the most important political forces in the country), men, and voters who live in the comparatively wealthy south and southeastern regions of the country overwhelmingly supported Bolsonaro.

At the same time, it would be inaccurate to suggest that Bolsonaro’s support is only the product of the reactionary tendencies of Brazil’s elite. As is also clear in the figure below, young adults, those with only a high school degree, and voters in both the cities and the countryside all favored Bolsonaro. A 2017 study conducted by the Fórum Brasileiro de Segurança Pública (Brazilian Forum on Public Safety) and Instituto Datafolha reported that, on a scale of 0 to 10, Brazilians average 8.1 in their predilection for authoritarian behavior. Meanwhile, in this barely 30-year-old republic — famous for its progressive social movements, for hosting the first World Social Forum, and for inventing participatory budgeting — support for democracy has plummeted. In 2016, the year of Rousseff’s impeachment, Latinobarómetro reported that only 32 percent of Brazilians agreed with the statement: “Democracy has its problems but is preferable to all other forms of government” — down from 54 percent and

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Support for Jair Bolsonaro by Demographic

Source: Datafolha Institute public opinion poll, October 26, 2018.



the lowest in all of Latin America for that year, with the exception of Guatemala.

Bolsonaro is a symptom, not a cause, of these trends. Throughout the 2000s, smatterings of pro-military skinheads would occasionally take to the streets to defend the return of the dictatorship, including once in April 2011 to support and amplify racist and homophobic comments Bolsonaro had made earlier that month on national television. They were dismissed as far-right fanatics with little chance of coming to power in Lula's Brazil. These forces gained strength, however, after the amorphous mass demonstrations that swept Brazil in 2013. Then, in 2017, Bolsonaro's now-Vice President General Hamilton Mourão told an audience of Freemasons that the military could overthrow Brazil's civilian government "if the institutions don't fix the political problem."

Other conjunctural factors help contextualize the rise of *bolsonarismo*. In a country with eye-popping violence statistics — between 2010 and 2013, there were 1,275 registered cases of police killings in Rio de Janeiro alone — Bolsonaro said the state's security forces should have full immunity. "If they kill 10, 15, or 20 [suspects] with 30 bullets each, they should be decorated and not sued," he said on national television, one week before a mentally ill attacker

plunged a knife into his stomach at a campaign event. All other presidential candidates forcefully condemned the near-fatal stabbing, yet Bolsonaro has long advocated for the murder of political opponents. "Let's gun down the *petralhada* [a disparaging term for PT loyalists]," he said at a rally in September 2018. One week before the runoff vote, he told the masses gathered at a rally that, once elected, he would sweep political opponents off the map. "They will be banished from our fatherland," he said. "Either they leave or they go to jail. Haddad and Lula will rot in prison ... [PT] supporters, you'll all go to the beachhead," a reference to a coastal naval base in Rio de Janeiro where dissidents were summarily executed during the dictatorship.

These battle cries were consonant with public statements Bolsonaro made throughout his 27 years as a heretofore fringe far-right politician. To take just one of many examples, in a 1999 television interview, Bolsonaro said there was "no question" that he would shut down Congress if he were president. Immediate dictatorship, he said, to "do the work that the military regime didn't do, killing about 30,000, starting with FHC [then-president Fernando Henrique Cardoso]. Spare nobody, no — kill [them]. If some innocents die, that's fine, innocent people die in wars," Bolsonaro said with no trace of irony.

Tanks occupy Avenida Presidente Vargas in Rio de Janeiro in 1968.



Photo courtesy of Correio da Manhã.



Photo by Alessandro Dias.

A Bolsonaro supporter wears the slogan: *Brasil acima de tudo, Deus acima de todos!* (Brazil above everything, God above all!).

The results of the 2018 congressional election imply that shutting down one or both houses of Parliament may not even be necessary. The best estimates suggest that elected officials who will systematically oppose Bolsonaro will only occupy 135 of the 513 total congressional seats in the lower house. "This is not a [right-wing] wave, it is a tsunami," said political analyst José Roberto de Toledo, pointing to the overwhelming number of votes won by Bolsonaro and the hundreds of far-right politicians elected on his coattails. "And Jair Bolsonaro surfed it on a piece of Styrofoam," Toledo finished, referring to the candidate's expert and legally dubious use of social media and the minimal traditional resources that the candidate had at his disposal during the campaign.

What is unique about Bolsonaro's brand of digital-first fascism is that it is packaged in a worldview that many elites are more comfortable openly supporting: neoliberalism. According to one of his most prominent cabinet appointees, Chicago-trained, Pinochet-friendly economist Paulo Guedes, Bolsonaro's government will be "the marriage of order and progress," a reference to the motto inscribed on Brazil's flag. "Order," in this case, refers to the police state Bolsonaro plans to install, and progress means "the market's ideas," Guedes explained.

Earlier this year, Bolsonaro wooed Faria Lima, the Brazilian equivalent of Wall Street, with the news that he would appoint Guedes to a "super" ministry position that combines the Ministry of Finance and the Ministry of Planning into one all-powerful government organ. However, in the early days of the presidential transition, Bolsonaro appears to be more committed to order than to progress so defined. His cabinet will be populated with military generals. He has said that his objective is to make the country "go back to what it was 40 or 50 years ago," the deadliest years of Brazil's military dictatorship, known as the *anos de chumbo*, or iron-fist years. The period was also characterized by extreme state interventionism in the economy, anathema to the libertarian project of Guedes and his followers, which suggests that the two ideologies are on a collision course.

All of these developments suggest that the right wing was lurking just around the corner from Latin America's much-heralded "left turn." But what Rousseff called Brazil's "dark time" cannot be simply understood in traditional right-left terms. Rather, *bolsonarismo* revolves on a democracy-versus-authoritarianism axis at the levels of culture, politics, and economics.

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A Coup in Three Acts

How did we get here? Latin America has long held the dubious distinction of being one of the most unequal parts of the world. In the first decade of the 2000s, however, a surprising trend took hold. Inequality — as measured by income distribution and the percent of the population in extreme poverty — declined in 16 of 17 countries in the region (Osório, 2015). In Brazil, 40 million people exited extreme poverty, social policies like the conditional cash transfer program Bolsa Família were deemed so successful that they were exported to other countries, and the Gini coefficient declined by 10 percent in as many years. In an era when global inequality trends marched stubbornly in the opposite direction, the PT’s pro-poor development project was the subject of euphoric praise. In 2014, however, this project came to a crashing halt when Brazil fell into its longest and deepest recession on record. The country’s unemployment nearly doubled between 2014 and 2016.

An uncomfortable truth for both supporters and opponents of the PT is that the country’s recent economic boom and bust — and many of the associated social gains and setbacks — are demonstrably linked to factors largely exogenous to domestic governing choices. With an export portfolio dominated by primary commodities like crude oil and soy (see figure below), large sectors of the Brazilian

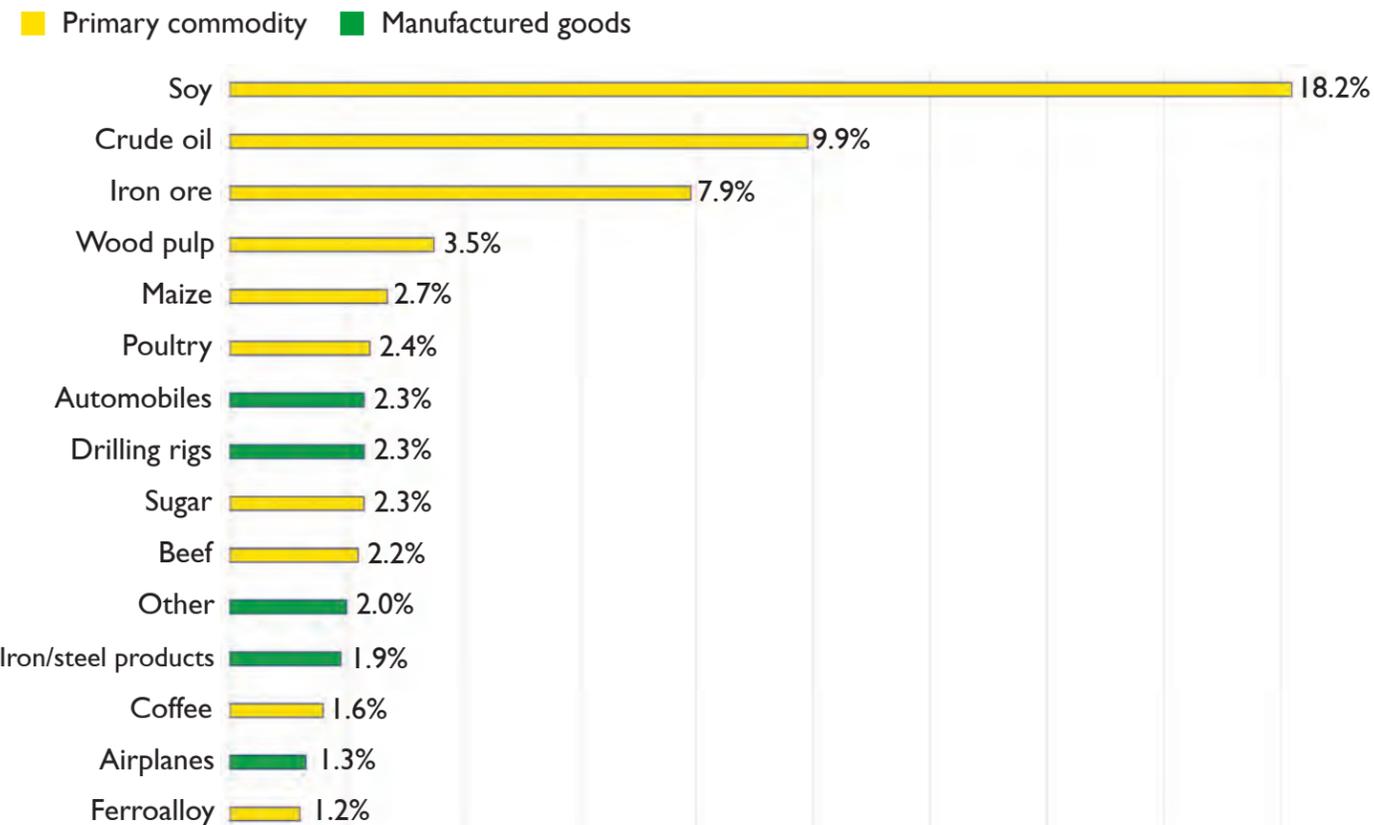
economy were held hostage by global markets. A decade-long commodity supercycle and increased financial liquidity — linked to plummeting real interest rates following the 2008 financial and Eurozone crises — help explain recent dramatic swings in the Brazilian economy. Albeit for very different reasons, there is broad consensus among economists across the political spectrum that the PT’s response to the causes of the recession was inadequate (see, for example, Lisboa, 2017; Castro, 2018; Loureiro and Saad-Filho, 2018).

Act One: Rousseff’s Impeachment

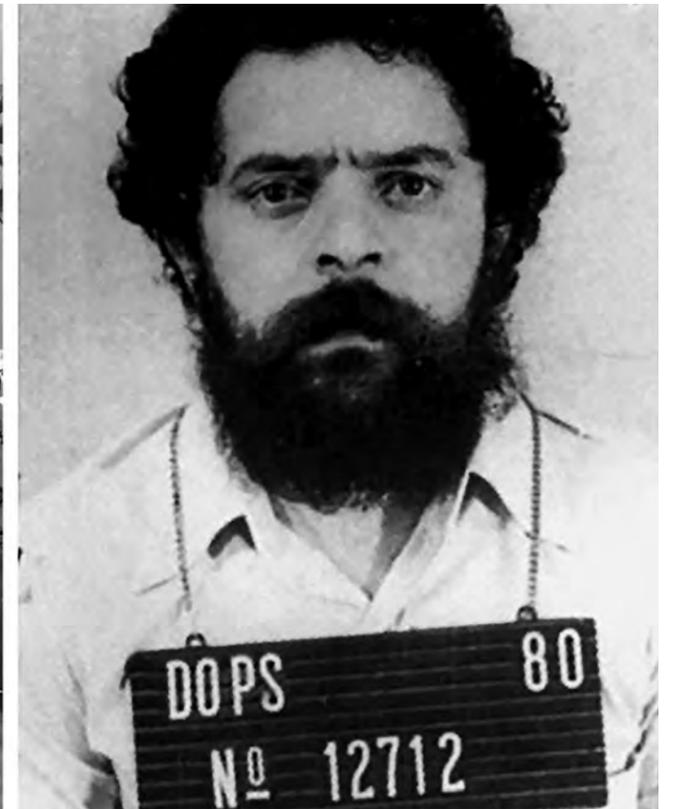
It is against this backdrop of socioeconomic turmoil, Rousseff argued in her speech at UC Berkeley, that the events following her reelection in 2014 represented a slow-motion coup in three acts. First, after 18 separate attempts to impeach her on corruption charges for which her opponents could not muster sufficient evidence, Brazil’s most conservative Congress since the dictatorship (until the most recent election) voted to remove her on charges of fiscal mismanagement. Both charges, one related to credit lines from the national development bank and another related to the yearly farm bill, were later shelved by independent investigators from the Public Prosecutor’s Office, which determined that no crime was committed.

Brazilian Exports by Percent of Total Export Value, January – October, 2018

Source: Brazilian Ministry of Development, Industry, and Foreign Trade (Ministério da Indústria, Comércio Exterior, e Serviço).



Photos courtesy of Elizabeth McKenna.



Booking photos of Dilma Rousseff (1970) and Luiz Inácio “Lula” da Silva (1980), from their imprisonment during Brazil’s dictatorship.

Journalist Cecilia Olliveira catalogued a list of the statements members of Congress made as they cast their floor votes during Rousseff’s impeachment proceedings. “Against the Bolivarian dictatorship!” “For my Aunt Eurides!” “For the evangelical nation!” “For peace in Jerusalem!” “For Tocantins, the best state!” “For truckers!” And even, “For you, mommy.” Bolsonaro dedicated his vote to the coronel who oversaw the prisons in which Rousseff was tortured. “For Carlos Alberto Brillhante Ustra,” he said, “Dilma’s nightmare.”

Months after the vote, Rousseff’s former vice-president and then successor Michel Temer (whom she referred to as “Mr. Illegitimate President” throughout her speech) took a trip to New York to speak to foreign investors. In his remarks to the Americas Society/Council of the Americas, Temer all but admitted that the *pedaladas fiscais* — the budgetary maneuvers that all of Rousseff’s predecessors and no fewer than 17 (male) governors employed in the same period with impunity — were merely the legal pretext needed to remove her from office. When Brazil fell into recession, Temer proposed an investor-friendly austerity plan that Rousseff had rejected. “Since [my economic] plan wasn’t adopted, a process was established which culminated with me being installed as President of the Republic,” Temer said. The role that certain segments of capital played in Rousseff’s impeachment and Bolsonaro’s rise is consistent with what political economist Thomas Ferguson calls “the investment

theory of politics.” Unable to oust the PT at the ballot box, corporate elites and rentier capitalists helped orchestrate Rousseff’s removal by other means.

A focus on the maneuvering of certain capital factions alone, however, misses other longer-term political dynamics that more fully contextualize Bolsonaro’s rise and the PT’s downfall. Rousseff spent considerable time in her talk analyzing the role of the wide-ranging corruption investigations that began in earnest during her tenure. In response to a question from the audience about Brazil’s ranking in the Transparency International corruption index, she replied, indignant: “It’s extremely naïve to say that Brazil has the highest levels of corruption in the world There are many things that are defined as corruption in Brazil that are legal here [in the United States]. Lobbying, for example. Here, you call it the ‘revolving door.’”

Rousseff also noted that tax havens, tax evasion, and tax engineering are vehicles for corruption that G20 countries have been unable or unwilling to control.

In Brazil’s domestic corruption proceedings, politicians from more than half of the country’s 35 parties are now implicated for graft, bribery, or illicit kickbacks. The Partido Progressista (PP, Progressive Party), the party in which Bolsonaro spent the longest stint of his extensive political career, has the highest number of elected officials under investigation in the Lava Jato (Car Wash) scandal.

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Photo by Marcos Brandão/Senado Federal.

Brazilian Senators Romero Jucá (left) and Eunício Oliveira.

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Rousseff, who signed the laws creating mechanisms like the plea bargain that catalyzed the investigations, said that she supports the anti-corruption campaign not in the name of moralism, but because it siphons much-needed money from the public coffers. Many observers, including Rousseff herself, believe that her unflinching stance on the investigations contributed to her impeachment. A year before the vote, the ex-president of Transpetro, a branch of the national oil company Petrobras, negotiated a plea bargain deal for which he secretly recorded a senator from Temer's party, Romero Jucá. On the tape — which Rousseff paraphrased at the CLAS event — Jucá says, “We have to solve this damn thing. We have to change the government in order to stop the bleeding,” he continued, referring to the Car Wash corruption investigations.

Act Two: The Rise of the Right — and a Rollback of Rights

The second act of the three-part soft coup Rousseff outlined consisted of the Temer administration's swift and draconian rollbacks of social and workers' rights.

In December 2016, Congress passed a constitutional amendment known as the New Fiscal Regime (PEC 55), which froze social spending for 20 years. Health care, education, pension, infrastructure, and defense spending is now pegged to inflation. Economist Pedro Paulo Bastos, a UC Berkeley visiting scholar, notes that the only two other countries in the world that have such cuts “hardwired” into their constitutions are Singapore and Georgia and even then not for as long or detached from GDP growth. Bastos estimates that education outlays will fall by a third.

This social-spending freeze joins a host of other longstanding regressive political economic policies in Brazil. To take just one example, the federal government's REFIS program forgives billions of dollars in private sector debt each year. In 2017, more than \$400 billion *reais* in unpaid business loans was forgiven — more than was spent on health and education combined. Meanwhile, Brazil has one of the most regressive tax systems in the world, with more than two-thirds of tax revenue coming from consumption taxes on basic essentials and — unique to most OECD countries — the complete tax exemption

of shareholder dividends (Gobetti and Orair, 2017). Seven months after PEC 55 passed, Congress followed the United States' tradition of union busting by abolishing obligatory dues and eliminating labor protections that had existed since 1943. To further enshrine these reversals, Bolsonaro announced that he will extinguish Brazil's Labor Ministry altogether.

Act Three: Lula, Lawfare, and Leadership

The third and final act takes us to the once-industrial ABC region of greater São Paulo, exactly four decades after the manufacturing strikes launched a new era of contentious politics that would help bring down Brazil's military dictatorship. In each of the first three presidential elections after the country's transition to democracy — 1989, 1994, and 1998 — Lula finished second. According to PT historiography, Lula told the national leadership of his party that he would only run a fourth time if he could form alliances with bankers, business leaders, and conservative politicians that the PT had theretofore eschewed.

A striking documentary of Lula's 2002 campaign, “Entreatos,” captures the early stages of what some describe as this reinvention. At one point, the campaign's *marqueteiro* (chief marketer) says, “Lula the syndicalist scares people. Now he's the ex-syndicalist.” During the campaign, Lula published a famous “Letter to the Brazilian People” indicating that if elected, his administration would not renege on debt repayments and would mostly continue the political economic project of his predecessor. Rousseff followed a similar strategy after her reelection in 2014, appointing Chicago-trained economist Joaquim Levy as her Finance Minister to implement austerity measures that she had campaigned against. Brazilian scholars have argued that it was concessions like these that helped sound the death knell of the organized popular support on which the PT depended, a partial explanation for why the left did not mobilize *en masse* during Rousseff's impeachment or afterwards as the right-wing protests gained strength.

Other observers note that these moderating processes were inevitable — such compromises are necessary in any social democratic regime. If the PT wanted to come to power, this line of reasoning goes, they could not break the pacts that structure the state's relationship with economic elites. The ire of the right and the reality of governing notwithstanding, *lulismo* has also been the target of longstanding criticism from the fragmented Brazilian left, including dissenting voices within the PT itself. Some argue that the PT's class-conciliatory policies demobilized the party's base, particularly the labor unions (Antunes, Santana, and Praun, 2018). As historian Perry Anderson has observed: “In

power, Lula neither mobilized nor even incorporated the electorate that acclaimed him. No new structural forms gave shape to popular life. The signature of his rule was, if anything, demobilization.” Even when the PT was at the height of its power, scholars and activists registered their critique of what they saw as the party's failure to fully reckon with the paradoxical effects of inclusion and institutionalization. In 2010, for example, Gilmar Mauro, a national leader in Brazil's famed Movimento dos Trabalhadores Sem Terra (MST, Landless Workers Movement), said that the PT failed in its attempt to implement the *pinça*, or tweezer, project, wherein one prong of the strategy sought to occupy institutions while the other arm built a socialist movement of the masses. “The idea was that you compete in the institutional realm with the goal of strengthening the social movements. That didn't happen. The institutional dispute and arena became the strong arm, and the social movements were the weak arm,” Mauro said.

Lula won his fourth bid for the presidency by a margin of nearly 20 million votes, and the PT won three consecutive presidential elections thereafter. The economic, political, and social successes of his two mandates are undeniable (see Peter Evans in this issue, beginning on page 8). Upon leaving office, Lula's approval rating was 86 percent, the highest ever registered by Brazilian polling companies. The PT survived the *mensalão* (big monthly payment) vote-buying scandal of 2005. As of the time of this writing, however, Lula and his defense team have been unable to wrest free of the newly empowered judicial branch. Ex-syndicalist no more, Lula responded to the prison order by spending two nights in the union hall where he had launched his political career, giving an impassioned hour-long speech before turning himself in. It was an electrifying standoff between the Federal Police and Lula loyalists.

One poll showed that 57 percent of Brazilians believe that Lula is guilty of corruption. But prior to the October election, most polls showed that Brazilian voters would have elected him to a third term. This counterfactual is impossible to evaluate now, but even those most sympathetic to Lula acknowledge that the party leadership underestimated the extent to which the broader public links the current crises to an unrepentant PT — despite clear culpability across many layers of the political and economic establishment. “Lawfare,” a term now widely used in Brazilian leftist circles, describes how the PT's opponents (both domestic and foreign) have weaponized the judicial system for political purposes.

As evidence of the political motives behind Lula's conviction, observers point to his clear frontrunner status in the polls, the speed with which his prosecution took

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place (a rarity for Brazil’s notoriously sluggish judicial system), and the differential treatment of politicians from other parties — notably, Aécio Neves and Michel Temer, whose cases involve material evidence of wrongdoing. That Sérgio Moro, the judge who oversaw Lula’s jailing, was recently named to another “super” ministry position in the Bolsonaro government further undermines the investigation’s façade of impartiality.

Lula is now serving a 12-year jail term in a 15-square meter room in Curitiba. He faces visitor restrictions, cannot record messages to supporters, and has been barred even from giving interviews to the press, a right regularly conceded to the incarcerated in Brazil. In her speech at UC Berkeley last spring, Rousseff was defiant. “In jail or free, dead or alive, condemned or absolved, Lula will be in the election.”

Democracy Unfulfilled

Whether or not Brazil’s fragmented progressive forces rebound from these profound setbacks depends a

great deal on the extent to which they confront the ways that Brazil’s young democracy failed to fully deliver on its promises and their willingness to recruit and develop new leadership. The capital–labor relationship has changed significantly since Lula’s ABC union days and demands alternative base-building strategies. The eight political parties that make up Brazil’s institutional left must recruit new leaders not only from the factory floor, but also from the vast rural interior and the ranks of new categories of service workers concentrated in the urban peripheries, where support for conservative, evangelical, and right-wing politics has been on the rise for decades. “When a party like ours comes to power, something inexorable happens,” Rousseff said, in response to Peter Evans’s question at the event about how to rebuild the PT. “The best leaders come to the government, which weakens the party.” Good organizers learn to agitate around contradictions like those inherent in the PT’s 13-year rule, identifying and training successors in the process.

It is the dearth of such new political leadership that made the March 2018 assassination of Marielle Franco — a black, gay, socialist city councilwoman from one of Rio de Janeiro’s largest *favelas* — all the more tragic. Less than 24 hours after Franco’s execution, tens of thousands of outraged Brazilians poured into the streets. This response — in a country where extrajudicial killings rarely make headlines — speaks to the ways in which Franco was a transformational political leader at a place and time that is largely bereft of them. Writing from his prison cell in fascist Italy, Antonio Gramsci ([1971] 2012) warned that failing to give conscious leadership to “so-called spontaneous movements” — like the mass protests that erupted in Brazil in 2013 — can have “extremely serious consequences,” including inciting and making room for organized counterrevolutions. Right-wing groups in Brazil sensed and seized on the new political opportunity that the amorphous protests created five years ago. New conservative and libertarian leaders, some of whom are men and women of color from working-class

backgrounds, are united in their *anti-petismo* — their hatred of the PT — and have been sworn in this year as some of the most-voted members of Congress.

It is tempting to view the outcome of Brazil’s 2018 election as yet one more foreseeable case in a reactionary global wave — in the words of Gabriel García Márquez, a “crónica de una muerte anunciada” (chronicle of a death foretold). Careful attention to the contingent choices that political actors made along the way as they faced always-uncertain circumstances, however, tends to reveal more about how political terrain shifts than do post hoc accounts that deny these actors their strategic agency. As emboldened authoritarians head to Brasília, Brazil’s New Republic appears to be coming to a close. But history is still up for grabs.

References available online at clas.berkeley.edu.

Elizabeth McKenna is a Ph.D. candidate in Sociology at UC Berkeley. She is currently based in São Paulo.

President Bolsonaro says that protected areas in the Amazon hold up development. Below, deforestation in Novo Progresso, Pará, in 2014.

Photo by Vinicius Mendonça - Ascom/Ibama.

