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Brazil

“If the coup succeeds, the country is heading towards a process of social collapse”

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Dilma Rousseff was suspended as Brazilian president on Thursday 12 May, [1] and replaced by Michel Temer of the PMDB. [2] Ruy Braga of the the University of São Paulo spoke to journalist Cátia Corrêa Guimarães on April 6, 2016 outlining the background to this and indicating what he thought would happen once Rousseff’s fall was confirmed.

We are used to referring to the strategy of the PT in the federal government as an attempt at class conciliation. And as you have pointed out in a recent article, the speech of former President Lula on the Avenida Paulista on March 18 last seems situated in continuity with this strategy. But currently, this strategy is breaking down. What are the sectors of society who now consider this conciliation as old hat?

To make such an analysis we must consider two major dimensions of contemporary Brazilian society. The first necessarily relates to the question of the economy. The country is in a period of counter-cycle after, I would say, ten to twelve years of relative growth. Against the current of the dynamic of international capitalism from 2008, with the global financial and economic crisis, the country has continued to grow in a certain way. Except that the contradictions, which are basic contradictions, of its social structure, cannot be administered by the intermediary of the traditional instruments of management of economic policy, such as exchange rates and so on. It is very important to note that, in the face of the imminence of the crisis, from 2012, the Dilma government has clearly taken the path of regression in the field of social rights. Thus, what has taken place basically is an attempt to restructure the government around an employers’ agenda. This agenda is based on privatization, the limitation of public expenditure and the government’s lightening of the alleged burdens on businesses. This microeconomic administration of company costs - including electrical energy prices, but also the relief of “company costs”, the collection of PIS-Cofins [3] and so on - undermines public resources in a period of counter-cycle. What is the general meaning of all this? This means that the government, in its childish and naive attempt to favour and a certain way restore the profitability of companies, has acted in an irresponsible manner in relation to the public accounts and workers’ savings. This employers’ agenda has developed in the course of the last four years of the Dilma government.

And this agenda has led to a stalemate: the path chosen by the government, favouring accumulation by economic exploitation - even if it involves social policies – has proved ineffective in restoring economic growth, and in fact restores above all the exploitation of labour. It is in this sense that there is not from the economic viewpoint any alternative to the reduction of the rights of workers in favour of those of companies. That is where there is the biggest problem because the political dimension enters into play. So when you look at the government’s choices, you understand that the government really wants to deepen this neoliberal agenda and challenge workers’ rights. In particular, the most recent challenge was the reform of unemployment insurance, but there has already been a series of measures concerning unemployment insurance and now this resumption of the debate on the regulation of subcontracting. The government has done nothing to counter this, and on the contrary stimulates it, it is they who offer this kind of solution. In addition, the government is also cutting expenditure on health, education; it is cutting expenditure which affects more or less directly the overwhelming majority of Brazilian workers who depend on education and the system of public health. If this agenda has proved ineffective and unable to combat the crisis, it has shown itself on the contrary very effective for deepening the process of the economic crisis, amplifying and extending economic recession. What is the political problem that this poses? It is that, on the one hand, the sectors of the bourgeoisie who had aligned with the government understand the limits of this strategy of accumulation and, on the other hand, they require that it should be deepened. On the other hand, the social bases of the government are exerting pressure to roll back these measures. And the government, to a certain extent, is still linked to its social bases, even if this link has become more and more fragile in recent years. That is why it shows itself at certain times reluctant and hesitant to assume in a clear and unambiguous manner the agenda that the bosses are calling for, namely the end of the CLT [4], the radical counter-reform of unemployment insurance, increased unemployment, more flexibility, especially through subcontracting, the development of informal work, the deepening of flexibility in

relation to the working day and so on.

It is not a coincidence that the Fiesp [Federação das Indústrias of São Paulo] is one of the main organizations directing the process of the coup against Dilma. This same Fiesp had participated in the neo-developmental pact with the CUT, Força Sindical and the government in 2011. It has abandoned it because it understands that the government is hesitant and ineffective, unable to further deepen this agenda of social deprivation, which, according to the Fiesp, is necessary for the re-establishment of the bases of private capitalist accumulation in the country. This has meant that many employers have abandoned the government because they have understood that this government is not strong enough to apply these measures in relation to the pressure of its social bases. Hence the idea of replacing the current government with one led by Michel Temer, in other words a PMDB-PSDB government fully aligned on an agenda of what I would call social deprivation. This is the policy that the Brazilian bourgeoisie is betting on as the way to a solution of the economic problem. Except that this will be throwing a sword into the water. It is a disastrous road that will lead the country to twenty years of ever growing intensification of the process of class struggle, with few opportunities to predict what the result will be.

Many analysts have pointed out that this crisis is mainly a crisis between fractions of the dominant classes. You enter another actor in this context, stating that the government is also driven by a rising wave of strikes and workers' demands. Is that right?

There is not the slightest doubt. From 2008 - with an intensification in 2010 and 2011 - the country experienced a cycle of strikes which is quite complex to analyze. I would say that this cycle really began in the most traditional sectors, the more organized in terms of unions, workers who earn more, especially in the public sector or even in the private sector, particularly among those in metallurgy, chemistry, oil, and immediately after those in the banking sector, who are not as well paid but mobilised very intensely from 2010. This first wave, whether in the private sector or the public sector, eventually evolved towards a second phase where it was the workers in the services sector, the least organized, the most casualised workers, who come to mobilize in their turn.

The explanations are well known. On the one hand you have a labour market which is relatively tight [5], on the other hand, you have very poor working conditions, an intensification of subcontracting and of turn-over, accidents, occupational diseases, very low wages. In Brazil we have eventually got used to this idea that formal work is also precarious because the level of remuneration is so low that the worker is unable to reach the minimum conditions for a decent life, which tends to reverse the dynamics of the 1990s where precarious work was generally informal work. Now you have a job which is formal and very precarious at the same time. This is well known in the services sector, as clearly seen in the recent period, and it is quite obvious in the strikes of the municipal workers, who are the workers most affected by casualisation: those in highways, for example, or the public transport workers - drivers and clerks. In total, you have a wave whose dynamic is roughly the following: from 2008, starting in the more organized areas in the private and public sector and then reaching sectors which are less organized, more fragile. In other words, sectors of the semi-periphery and the periphery of the labour market. In the case of the state, there is clear evidence that the flow of strikes goes from the federal level towards the municipal level.

So, from 2013 there was a wave of strikes of municipal workers. Which put pressure on the Lulaist, pro-government trade unionists, who responded, of course, in a very uneven manner. In any case, they realized, first, that the social policies of the government no longer satisfied this discontented rank and file, and then, that they must do something, that they could not simply ignore this strike wave, this impetus coming from below. Hence the hesitant attitudes that we have seen. The classic, typical example, the most easy to identify that I give in the studies that I have made recently, is that of the Union of Bank Employees of São Paulo, which is a 100% pro-government union, which has given a lot of senior cadres to the government including making up the councils of pension funds and that kind of organization, and which has ended up on strike. It has led strikes in the state of São Paulo and through the intermediary of the Banking Federation, it has led national bank workers' strikes. All this to say that there is a lot of dissatisfaction at the rank and file level. This is related to the deterioration of working conditions and, at the same

time, this dissatisfaction puts pressure on Lulista trades unionism and pushes its back to the wall.

Lulista trades unionism has reacted. This reaction takes place on two fronts: on the one hand, a certain attempt to control the strike movement, on the other, a certain attempt to exert pressure on the government to get it to row back on the unpopular measures. This dynamic has marked politics at the rank and file level, the politics of the subaltern social classes over these last three or four years. It is very clear. Added to that is the mobilization which, from 2013, became very intense, very important, that of the new urban social movements, the struggle for housing. This means - and this is a key point of the Brazilian debate today - that the urban issue, the question of work and of the city, the mobilization of the social movements of the homeless or badly housed has become visible in the large urban centres in Brazil. That is to say that there is a bubbling of an effervescent culture at the base level. This bubbling has really put pressure, that is what I am trying to demonstrate in my article, on trade unionists and especially on the government. What I am trying to demonstrate - we will put it like that, speaking in a more speculative manner - is that from the point of view of political logic, or its logic of social class domination, the Brazilian bourgeoisie is not comfortable when it must accept a government which is not a pure blood government, in other words this is not a government capable of satisfying it at 100%, as I have said previously. And at the same time, it is a government which is not able to do what it has done throughout the 2000s, with a certain capacity to absorb the social movement, to integrate the social conflict within the state, the bureaucratisation of the social conflict, and at the same time to appease the sources of dissatisfaction.

So if you have a government which is neither one thing nor the other, that is to say that on the one hand does not deepen its social strategy of accumulation by dispossession and on the other is unable to check the dissatisfied social base, with a perspective of the deepening of a process of crisis, it is a government that can be described as unnecessary.

If the impeachment occurs, a government which still has a social base and on which it can exert pressure will be eliminated. But to this day the government has not launched the mobilization of this base, on the contrary, you have stressed that the governments of the PT have tried throughout these years, to render it passive. Then, in this sense, can eliminating the PT government and replacing it by a pure blood government improve the process of intensification of exploitation, which is one of the things that this government has not succeeding in doing by calming its base?

Among the predictable scenarios, the most probable is that of the intensification of the class struggle and a social collapse of the country. If the coup succeeds, the country enters on the path of a process of social collapse for several reasons. The political sectors aligned with the most conservative and reactionary interests imagine that something like what happened with Collor in 1992 will happen: you have a vice-president, the economy shows signs of revival, the process of impeachment brings together the political forces around a kind of pole of national salvation and leads to a quiet transition toward a government resulting from elections two years later. This is pure stupidity. It is a gigantic stupidity.

In the first place because Dilma is not Collor. From a double point of view: Collor was the accused of the process, he had been accused by his brother. The commission which had been formed by the Congress had proved the crime, his guilt. Such is not the case with Dilma, there is nothing, at least up to now. I am against this government, I am of the left opposition to the government, and I find this government very bad. I find this government - we will put it like this - virtually indefensible. The fact is that there is no crime. No crime has been committed by the President of the Republic. Therefore this thing would be a political rupture. This would be a coup. Even if it is a parliamentary coup.

In the second place, Dilma is not Collor for another reason, Collor had no social base. He had been in power for a year and a half when the process of impeachment began. The PT has been the government for 13 years, almost 14. The PT today still has a social base, the PT has influence on the trade union movement, and it has influence on the

social movements. The PT has a parliamentary group which is the biggest in Congress, we cannot forget that. The PT has a real implantation. The PT is not the PRN of Collor. So there will be resistance to the coup. I don't have the least doubt of that. What happened with Collor will not be repeated.

Also, the idea that a political pacification, a quiet transition could prepare an economic recovery is an even greater stupidity. The country will become ungovernable. An illegitimate PMDB-PSDB government will be faced with growing social dissatisfaction, which will tend to grow to the extent of the adoption of the unpopular measures they intend to implement, and with a PT, in some way, strengthened - as incredible as it may seem – through the fact of having been the victim of a coup. They will say this and they will not be wrong.

This cold coup which is being implemented against the government of Dilma Rousseff will very probably throw the country into political chaos for the next 20 years. There will be no peace, there will be no tranquillity. Although the reactionary and conservative sectors think that it will happen, it will not happen. What I imagine or what I can predict because I know the Brazilian bourgeoisie a little, is that after this parliamentary coup, in the light of the hardening of political conditions, of resistance, what must happen is an even stronger hardening of civil conditions, that is to say of politics in the most elementary sense: they will attack the freedom to protest, they will become ever tougher, up to the time when the country will openly become a dictatorship.

Do you think there is really such a concrete risk of coup, even if it is not a military one?

I have not the slightest doubt, not a single one. In reflecting with what I know today, I would bet that the solution which would be best for the Brazilian bourgeoisie, which is organised around the agenda of the impeachment, institutional discontinuity and the deepening of social deprivation to restart growth, is dictatorship.

What they want is a dictatorship in Brazil. A dictatorship which may not even take the military form, because it is really not presentable at the international level, but which will surely take the form of a state of emergency, with civilians in the government, which will control through physical violence the increasingly frustrated masses. To implement this process of transition to a regime of accumulation based on social deprivation articulated with a political mode of authoritarian regulation, there is no other word than dictatorship.

Whereas the political crisis is at its height, we see the Dilma government take measures which distance it from the left, like the adoption of the anti-terrorism Act and the announcement of a package of measures which even includes the laying off of public employees. What can we expect from the government in response to this crisis? Is a left turn possible?

I believe it unlikely that the government has the strength to prevent the impeachment, I believe that that is unlikely because of its own errors. I only see a more or less progressive solution in the intensification of the pace of the popular mobilization, which would be at the same time capable of blocking the road to the coup and putting pressure on the government to at least not take the anti-popular measures that it has prepared. I believe that this would be the only really credible way to a restoration of political, institutional normality. But it would have to put pressure on the Congress, which is, as the Americans say, hopeless, without the slightest hope, they are incorrigible. Therefore, neither on the Congress nor on the bureaucracy of the federal government

We should rely on a broad process of mass mobilization around a politically progressive agenda, which is capable of effectively asking the questions that must be asked: Where is the money for the public debt going, the need to protect workers, to have a concrete agenda that strengthens the public finances and which redistributes income, which distributes wealth, which taxes the banks and the rich.

From 2011, each time that we have seen a movement inside the government it was to make things worse, always moving to the right. It is impossible not to understand, with everything that has happened, that the only possibility for this government to obtain support is in popular mobilization and the only way this could happen is if it adopted a progressive agenda. There will not be a popular mobilization for something which is not worth fighting for.

You have talked a little of the reasons for which the employers have abandoned the ship of the government and how the workers have lost out and how that has caused the rise in strikes and the disaffection for the Dilma government. What about the middle class?

The Lula era, Lulismo, has led to a certain de-concentration of profit among those who live from incomes from work and this has eventually produced certain effects which have had an impact on the middle class. The first of these effects is the inflation of services, which is greater than the inflation of the *cesta básica*. [6] The subaltern services which gravitate around the middle class have also seen their prices rise, so concierges, pedicures, manicures, hairdressers, are more expensive, and especially domestic employees. If one takes into account the tight labour markets, strategies to increase the minimum wage at more than the rate of inflation, which have a direct impact on domestic work, the cost of living has got dearer. Combined with this is the fact that you have a structural problem, the Brazilian labour market has produced very few middle class jobs over the past 13 years. The figures for 2014 from Caged [7] indicate that 97.5% of the jobs created in 2014 correspond to a salary of up to 1.5 of the minimum wage, these are not middle class jobs. In other words, the market has become more competitive and restrictive. This is combined again with the fact that the governments of Lula, and then Dilma, have adopted a kind of social and racial quota policy in the universities, which made the public universities, primarily those which depend on the federal state, more plebeian, and this has sharpened the competition for the children of the traditional middle class.

As a final factor, you have the 2015 crisis, which affected small and medium owners. The contraction of consumption has a direct impact on small and medium-sized enterprises. Then you understand that there is a growing dissatisfaction in the middle sectors in relation to governmental measures, a dissatisfaction which does not date from today, which did not start today, but which has become worse today. The ultra-reactionary and conservative media in Brazil, highly monopolized, influences these middle sectors means. All this has contributed to the middle class going onto the streets.

The non-governmental left is in the street, and denounces the “coup” which is underway. Why is the left on the streets at such a time? What are, specifically, the democratic conquests of the workers which are threatened and which must be preserved?

Concretely, there is the “Bridge to the Future”, which is the program of the PMDB, which must be applied if Dilma is replaced. In practice, Dilma is not really committed to seeing the reform of unemployment insurance through. So, you have two hard facts. The famous “bridge toward the future” forcefully attacks two sectors of society with a very heavy impact. First, there is public spending on health and education which attacked will be even more through the “delinking of expenditure” that the program involves. Today, the constitution specifies that a determined percentage of the national public budget must be devoted to health and education. They want to “delink” this and further limit spending to pay for the interest on the debt, increase interest rates and so on.

Secondly, there is an agenda clearly opposed to the rights of workers. What they want is the end of the Employment Code, the CLT, and any protection for the workers. That is the picture before us, to speak concretely. The great threat is precisely the threat against the structure of public expenditure, relating to social spending, health, education and social security. And on the other side, a labour market which is even more flexible and degraded, with wages reduced more and everything that follows from that. This is the concrete picture. In my opinion, immediate. Immediately after the fall of Dilma, that is what is on the agenda.

[1] See *The Guardian* “[‘No injustice is more devastating’: Dilma Rousseff condemns rivals’ ‘treachery’](#)”.

[2] See *The Guardian* [‘Trust me’: Michel Temer takes over as interim Brazil president](#).

[3] Social security contributions and taxes for training

[4] Consolidação das Leis do Trabalho, the Employment Code

[5] The official rate of unemployment went down from 12.2% in 2002 to 4.8% in 2014, and has risen since

[6] “The basic basket”: essential items for household consumption.

[7] Cadastro Geral de empregados e Desempregados, a centralized table of employment and unemployment drawn up by the Ministry of Employment.