

Brazil's interim president vows to carry through “unpopular” austerity measures

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The government of Brazil's interim president Michel Temer vowed on July 4 that his government will move ahead with a series of “unpopular measures,” in a bid to place the full weight of the country's profound economic crisis onto the backs of the working class and poor.

Temer made the remark after receiving a letter of support from 46 agribusiness firms gathered for the Global Agribusiness Forum 2016 in Sao Paulo. Temer addressed the forum, to boos from a section of the audience opposed to his administration, which was installed in May through the drive to impeach Brazil's elected Workers Party (PT) President Dilma Rousseff on trumped up charges of budgetary manipulations.

Temer declared that Brazil's economic and political crisis could be overcome only through a “national pacification, a national reunification, with the interaction between business and workers.”

In reality, the interim regime has been brought to power to effect a massive transfer of wealth from the poorest and most oppressed layers of Brazilian society to the country's financial oligarchy and foreign capital.

The crisis of this new government, in which multiple ministers as well as Temer himself have been implicated in the massive bribes-for-contracts scandal at the state-run energy conglomerate Petrobras, has impeded the rapid implementation of the kind of sweeping austerity measures that Brazilian and foreign capitalists are demanding.

The aim has been to push the most drastic actions off until after August, when it is expected that the Senate will conclude the impeachment trial of Rousseff with a decision to permanently remove her from office, leaving Temer, her former vice president, to complete the last two years of her term. The letter from the agribusiness firms and other signals from big business,

however, have been directed at goading the Temer regime to take more rapid action.

Until now, the government's austerity drive has been limited to the shutting down of a handful of government ministries and the slashing of federal jobs, while it has come under criticism from big business circles for measures that run counter to the austerity agenda, but are aimed at avoiding a social explosion. These include minimal wage hikes for public workers and marginal increases in benefits provided through the social assistance program Bolsa Familia.

Temer confided that without the salary increases, which he insisted were negotiated previously by the PT government at below the level of inflation, “We could have had strikes ... in various essential sectors, which would have been something extremely and politically disastrous for the government.”

Temer defended his government's actions, telling the agribusiness forum, “We are under a scenario of major containment. The containment hasn't started taking effect yet, and that is why this document (the letter of support) is so important.” He said support was needed because, “after a certain time, we will start implementing policies that are, let's say, more unpopular.”

The Brazilian daily *Folha de S.Paulo* quoted Temer aides as saying that “the government needs to introduce tougher measures in the next few weeks,” dispensing with the previous intention to postpone such actions until after the final impeachment vote.

Among the measures in the works by the interim government is the setting of deficit reduction targets that would automatically force huge cuts in social spending. Henrique Meirelles, the former banker and IMF official who has been installed as finance minister—he previously headed the country's central

bank under the first PT government of President Luiz Inácio Lula da Silva—declared that the regime is “concluding the calculations” and a new deficit target could be announced as early as July 7.

The Temer government has also sent legislation to congress that would essentially freeze public spending, limiting any increases to the inflation rate of the previous year.

These are only the foretaste of the attacks to come. The government is determined to radically “reform” the rights of Brazilians to social security, health care and education, while it is preparing a massive privatization program to turn over ever large shares of the economy, including Brazil’s oil wealth, to foreign capital.

In all of these policies, it is only accelerating measures that were already being pursued under the ousted President Dilma Rousseff. She and the PT sought to cling to power, not by appealing to the Brazilian working class, which had turned increasingly hostile to her government, but by insisting that they were best equipped to implement the attacks demanded by Brazilian and foreign capital. Their principal argument was that they could best ensure “governability” by utilizing their allies in the unions and so-called “social movements” to stifle popular unrest.

The increasing turn to the right by the Temer government and the deepening crisis of the PT have thrown all sections of the Brazilian pseudo-left into extreme crisis, from the Pabloites inside the PSOL (Party of Socialism and Liberty, a party formed by ex-PT officials), who have subordinated themselves to the corrupt PT apparatus, to the Morenoite PSTU (Unified Socialist Workers Party), which adapted itself to the right-wing impeachment drive by advancing the slogan “out with all of them.”

The PSTU this week announced a major split by “hundreds” of its members, including leading figures and one of its few elected officials, who apparently had opposed the failure of the party to oppose the drive to impeachment and its adaptation to opposition to the PT government from the right.

The PSTU majority responded to the split by accusing the minority of attempting to turn the organization into the “left wing” of the PT-led campaign to defend Rousseff. For its part, the minority

accuses the PSTU leadership of “ultra-leftism” and “sectarianism,” while calling for the building of a “third camp” encompassing all of the “left” opponents of both the Rousseff governments and its right-wing antagonists.

The statements issued by both sides indicate no differences over the reactionary, pro-imperialist policies pursued by the PSTU over the past period, including its lauding of CIA-orchestrated regime change operations in Libya, Syria and Ukraine as “revolutions.” Nor are there any apparent differences over class orientation, which is to the middle class, through the medium of identity politics and an orientation to the trade union officialdom.

Like the pseudo-left as a whole, both factions oppose any genuine struggle for the political independence of the Brazilian working class based upon a socialist and internationalist perspective.



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