

Rio de Janeiro faces violent demonstrations amid state of financial emergency

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On November 22, Rio de Janeiro public sector workers held their third demonstration since Governor Luiz Carlos Pezão (PMDB—Brazilian Democratic Movement Party) announced a series of austerity measures in response to the state’s deepening economic crisis.

Among the measures, which were unveiled at the beginning of the month, are an increase in pension contributions from 11 percent to 14 percent, a wage freeze until 2020, the scrapping of social programs, such as a minimum income for poor families, food kitchens and rent assistance for the homeless, and an increase in bus fares and electricity rates.

These measures were aggravated by the state government’s decision to pay the October wages of 38 percent of public servants over seven installments ending on December 5. Pezão’s government has been delaying the wages of public servants since last year, when the economic crisis in Rio de Janeiro and Brazil as a whole intensified.

The austerity package is being discussed in the state’s Legislative Assembly, and the government expects a vote on it by the beginning of December. The Unified Movement of State Public Servants, which represents education, health, culture and security employees, has promised a general strike to prevent the Assembly’s approval of these measures.

The first two demonstrations were marked by violence. The first one, on November 8, with 10,000 public security employees—police, firefighters and prison guards—ended with the invasion of the Legislative Assembly by hundreds of demonstrators. The invasion was led by armed police officers, who occupied the Legislative Assembly for three hours shouting slogans against the governor and the Assembly’s president.

At the same time, they chanted slogans in support of the ultra-rightist federal deputy Jair Bolsonaro (PSC—Christian Social Party), a defender of Brazil’s former US-backed dictatorship and advocate of military rule.

One day after the invasion of the assembly, Governor Pezão abandoned one of the most controversial measures in the proposed austerity package, extracting a temporary 30

percent contribution from retired public employees to their pensions.

The second demonstration, on November 16, saw the participation of the security employees as well as thousands of teachers, health care workers and cultural employees. Even with the Legislative Assembly surrounded by two fences and guarded by both military police shock troops and the national security force, a group of demonstrators overturned the barriers and almost got inside.

The military police reacted violently with volleys of tear gas, rubber bullets and water cannon, turning the area surrounding the Assembly into a battlefield. Two police officers protecting the building deserted their posts and were arrested.

Early that day, the public security workers held a rally in front of the Legislative Assembly with banners and a sound truck calling for the military to intervene. One police officer attending the demonstration said to the UOL website that “everyone here is in favor of a military intervention.”

With the arrival of the education employees at the demonstration carrying banners of their unions and various left parties, the security employees took down teachers’ banners and a conflict ensued. A security employee speaking on a sound truck asked for the teachers to “put the flags down, this is not a political movement. We have no party. We are public servants claiming our rights,” reported the UOL website.

The participation of the security employees, alongside public workers historically aligned with the left, such as teachers and health employees, in demonstrations against wage delays and the governor’s austerity package has sparked a heated discussion within Brazil’s pseudo-left layers on the class character of the police. The Morenoite tendencies—PSTU, MAIS and MES/PSOL—have a long record of defending police strikes, and all hailed the desertion of the two policemen as a “victory for the working class.” Henrique Carnary, of the PSTU split-off MAIS, proclaimed that “the police are temporary allies” in the struggle against the austerity measures.

Such a statement not only leaves aside the irreconcilable class interests dividing the police, the first line in the defense of capitalist property, and the working class, but also ignores the brutal police violence in Rio de Janeiro.

The police in Rio de Janeiro have the most lethal record of any police force in Brazil, the country with the highest number of police killings in the world. In 2015, there were 3,345 police killings nationwide, a 51 percent increase since 2013. By comparison, in the US last year there were 1,146 people killed by the police, and in Germany, 10.

At the same time, Rio de Janeiro is one of the most unequal states in Brazil, which is the 14th most unequal country in the world. In recent years, the southeast region of Brazil, which includes Rio de Janeiro and São Paulo, the most industrial region of the country, was the only one that saw an increase in inequality. It is also a region that has suffered more than 30 years of deindustrialization, in which the state of Rio de Janeiro is no exception.

Since the 1980s, Rio de Janeiro has been the state with the lowest growth rate in Brazil. What growth there was came mainly from royalties from the exploration of oil and gas by Brazil's state-run energy giant Petrobras and others major oil companies, an industrial activity that grew 54 percent between 1985 and 2006, leaving the state's economy largely dependent upon this sector. During this same period, the manufacturing industry in Rio de Janeiro declined by 39 percent.

With the fall in oil and gas prices, the state's economic situation has gone from a surplus of 1.5 billion reais (US\$440 million) in 2013 to an estimated deficit of 19 billion reais (US\$5.6 billion) this year, turning it into the country's most indebted state. In April, Rio de Janeiro's public deficit was the equivalent of 201 percent of its GDP.

After the royalties from the gas and oil exploration, the second source of state revenue for Rio de Janeiro comes from state tax on the circulation of goods and services, which dropped 12 percent from 2014 to 2015, and 17 percent since last year. This drop was caused not only by the economic recession, but also by tax exemptions for large companies. From 2008 to 2013, these exemptions rose to 139 billion reais (US\$40.7 billion), a figure that would pay the wages and pensions of 468,621 Rio de Janeiro public servants for more than five years.

Besides oil, construction, auto and beverage companies, the exemptions included H. Stern, Latin America's leading jeweler. All these exemptions were made as part of a deeply corrupt system, which led last week to the jailing of former Rio de Janeiro governor Sérgio Cabral (PMDB). Governor from 2007 to 2014, Cabral is charged in connection with the Operation Car Wash (Operação Lava-Jato) investigation with a massive kickback scheme involving contracts

between the state-run energy giant Petrobras, the state government and private construction companies.

Last June, a month before the Olympic games, Rio de Janeiro became the first state to declare a public financial emergency. On November 22, the southern state of Rio Grande do Sul followed suit, enabling it to delay debt payments and receive federal financial loans. After Rio de Janeiro and Rio Grande do Sul, 13 others Brazilian states may decree states of emergency over the coming weeks due to Brazil's continuing economic crisis, the country's deepest in a century.

The government of President Michel Temer (PMDB) is using the need of the states for federal loans to push through fiscal adjustments. Among the measures being demanded are increases in pension contributions and the imposition of limits on any increases in state social spending to the level of the previous year's inflation for the next 10 years. President Temer has proposed a similar limit in federal social spending after last September's impeachment of Dilma Rousseff (Workers Party—PT), but for a period of 20 years. The federal Senate is expected to vote on this cap in the coming weeks.

The situation facing public sector workers in Rio de Janeiro is similar to that confronting another 1.5 million public workers in 11 other states. The measures being presented by the state governments are only preparatory for broader counter-reforms that President Temer intends to present next year, including labor and pension reforms.

At the same time, the response of Rio de Janeiro public workers, and the police repression they have suffered in recent weeks, is an indication of tumultuous struggles that the Brazilian working class as a whole will face in the next period.



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