

# Brazil imposes drastic austerity amid deepening constitutional crisis

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24 December 2016

On December 13, the Brazilian Senate passed in a second and final vote what the population has been ironically calling “end of the world” amendment to the 1988 constitution.

The government has characterized the amendment, a mandatory 20-year freeze on federal spending, except for inflation adjustments, as a key signal of “political will” to the financial markets. Its passage has dominated the public debate since the September ouster of Workers Party (PT) president Dilma Rousseff on trumped-up charges of budget manipulation.

The right-wing coalition that supports Rousseff’s successor, president Michel Temer, of the Brazilian Democratic Movement party (PMDB), has sought to convince the markets of its resoluteness in waging a class war against the working class and poor with the swiftness of the amendment’s approval. Nonetheless, the whole process has exposed a deep crisis of the bourgeois regime in Latin America’s largest country, along with a growing breakdown of constitutional forms of rule.

The amendment’s second vote in the upper house was initially accelerated by an agreement between the leaders of most of the two dozen parties represented in Congress that fast-tracked the debate. But at the last minute, the whole procedure was put at risk by the suspension from office of the Senate’s president, Renan Calheiros, also from the fractured PMDB, over embezzlement charges. Supreme Court Justice Marco Aurélio de Mello granted an injunction in response to an appeal by the pseudo-left REDE caucus that Calheiros could not hold an office in the line of succession to the presidency while being a defendant in a corruption case.

The injunction, granted on December 5, was defied by Calheiros and the full Senate, which refused to meet to elect a new president or even formalize the tenure of the first vice-president, Jorge Viana, from the Workers Party.

Two days of frenzied meetings and recriminations followed, with accusations by the Senate of Supreme Court interference, while Supreme Court Justice Luis Roberto Barroso claimed that Calheiros had led a coup d’état. Calheiros himself openly declared that his suspension would likely derail the constitutional amendment demanded by Brazilian and foreign capital.

On December 7, the full Supreme Court overruled Mello’s injunction in a special session, with the Court’s president,

Carmen Lúcia Rocha, declaring in a national meeting of judges held before the vote, that given the country’s crisis, the justice system should “make peace.”

Rocha’s procedures reportedly followed a political meeting with Senate leaders and other justices, and were followed by openly political votes by the full Court, with Justice Luiz Fux declaring that Calheiro’s suspension would delay the urgent agenda in the Congress.

But the most shameful role was played by PT’s Jorge Viana, who declared from the moment of Calheiro’s suspension that he was not willing to take office as president in order not to “break up” the PT. His concern was that if it were in control of the Senate, the party would come under pressure to delay or scrap altogether the vote on the amendment, something it had no intention of doing.

In recent months, the amendment has been widely criticized by economic think tanks and even the UN as an “unprecedented move,” undermining crucial anti-poverty policies such as the minimum wage and pension increases, while also rolling back the expansion of public education and health care—withholding an expected \$130 billion in planned investments. Most significantly from the standpoint the ruling elite is the anticipated effect on workforce productivity, which should rise together with an increase in average number of years in school for the population as a whole.

This episode was followed on December 14 by another skirmish between Supreme Court and Congress, with Justice Luiz Fux granting an injunction agreeing with Eduardo Bolsonaro, the fascist representative of the Social Christian Party (PSC), that the lower house should reconsider its vote on an anti-corruption law initially presented by the Public Attorney’s Office (Ministério Público) with the support of more than two million signatures.

Fux’s decision may prove even more contentious, given the divisions in the ruling class regarding the anti-corruption bill, initially called “10 measures against corruption.” The bill was spearheaded by the prosecutors who have been conducting the ever-widening “Carwash” (Lava Jato) investigation into the massive bribes-for-contracts scheme at the state oil giant Petrobras. The probe, which will potentially ensnare more than 300 congressmen and hundreds of leading businessmen, has

also led to a wholly reactionary rubber-stamping of the illegal methods used by investigators, including the wiretapping and leaking to the press of a phone call by former president Rouseff.

These illegal practices, universally justified by the press with anti-corruption hysteria, were instrumental in whipping up the most reactionary elements in the upper middle class, including supporters of a military takeover, in the lead-up to the impeachment.

Among the measures originally included in the bill were the widespread application of “integrity tests,” i.e., sting operations, against public servants, the possibility of using illegally obtained evidence in corruption cases and the restriction of *habeas corpus* and appeal rights, all in the name of “speeding up justice”. Early in December, however, the bill was self-servingly turned upside down by the full lower house, ending up as an essentially anti-prosecution bill, with a new framework of abuse of authority crimes aimed at shutting down recent developments in the Carwash and related investigations.

As the discussions proceeded in the upper house on December 1, the chief judge in the Carwash investigation, Sérgio Moro, who was invited to the debate, was targeted by the opposition leader in the Senate, Lindberg Farias of the PT, who implied that had the bill been passed earlier, he would have been charged in relation to the leaking of the Rouseff phone call and the detaining of former PT president Luiz Inacio Lula da Silva.

Then on December 4, thousands of right and far-right demonstrators took to the streets in major cities in support of the original bill, putting pressure on the politicized Supreme Court.

Finally, on December 15 and 16, two opinion pages in the leading, 141-year-old daily *O Estado de São Paulo* carried an article by Reserve Army General Rômulo Pereira claiming that disrespect for the law and the will of people by Congress—with the keeping of Calheiros in office and the changes to the anti-corruption bill—might motivate the armed forces to intervene “to guarantee democracy.” This alarming warning was followed by a lead editorial claiming that the “institutions were not working”. Earlier, the same newspaper published a December 10 article in which Army commander Gen. Eduardo Villas Bôas warned that “crazy” right-wingers might set in motion a chain reaction that could lead to the army taking a political stand and intervening.

In an attempt to pacify the armed forces, they are being left out by Temer from the draconian reform that will impose 49 years of work before retirement for workers now under 40, and which is supposed to go to a vote by early 2017.

Another stimulus to defiance of civilian rule by the military might come from recent developments in Rio de Janeiro, which faces the deepest crisis in the country mainly due to plummeting oil prices and the crisis gripping Petrobras following the Carwash investigation. With the virtual paralysis

of the unions in the state, anti-austerity demonstrations have been spearheaded by off-duty military policemen, heavily supportive of a military intervention, with the corporatist and reactionary aim of being exempted from state budget cuts.

Further contributing to the anti-corruption hysteria which has been used to justify the right-wing drift of the whole political establishment is the support given to the Carwash investigation by Brazil’s pseudo left elements, most notably the Moreniste PSTU and the MES current, which functions inside the PSOL party and holds observer status in the Pabloite United Secretariat.

Both currents have for more than a year claimed that the anti-corruption campaign would bring instability to the regime and thus open up the path to their own growth as a political alternative. In fact, none of this has happened, as the right wing benefited from the anger towards the PT, and the PSTU saw both its elected officials voted out of office and lost half of its membership in a right-wing split ahead of local elections in October.

On the other side, anti-impeachment pseudo-lefts such as the MAIS—the faction that split from the PSTU—and the MRT have since the outset of the crisis redoubled their efforts to prevent any political conclusions from being drawn from the impeachment process and the class war measures that have followed. Both classify the Temer government as a “big house,” plantation regime of the most backward elements of Brazil’s ruling class. MRT’s online organ, *Esquerda Diário*, went to the point of interviewing Lula’s former Strategic Affairs minister Samuel Pinheiro, giving him the chance to paint the PT governments as “reformist” and “progressive”—and thus as a victim of Brazil’s ruling class.

The recent revelations by the US Department of Justice, in relation to the Carwash investigation, that the Odebrecht building conglomerate paid more than 1 billion dollars in bribes in a dozen developing countries since before the PT took office in 2003, further exposes how the recent corruption schemes are a structural feature of capitalism internationally, regardless of whether “progressive” or “backward” fractions of the semi-colonial and imperialist bourgeoisies hold power.

In this context, the “big house” regime narrative, with its implied anti-imperialist rhetoric, only obscures the fact that the pseudo left’s support for the PT over the last decades only subordinated the Brazilian working class to the bourgeoisie, leaving its hands tied in the face of the current crisis.



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