Brazil: São Paulo teachers strike against pension reform

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Since March 8, public school teachers in São Paulo, the largest city in both Brazil and Latin America, have been on strike against a pension reform proposed by the city's millionaire right-wing Mayor João Doria (PSDB).

In their latest mass assembly, held on March 22 in front of São Paulo's City Hall, thousands of teachers voted unanimously to continue the strike until Doria withdraws his pension reform proposal, which is now being discussed in the City Council.

On March 13, five days after the beginning of the strike, the daily *Folha de São Paulo* reported that 93 percent of schools were affected by the walkout, with almost 50 percent of them closed entirely—figures that have remained the same since then. The great participation of teachers in this strike, the largest in recent years, is another example of mounting global struggles of teachers against austerity, which in São Paulo take the form of an assault on pensions.

Doria's pension reform extends attacks against teachers and other public sector workers of São Paulo that were first proposed by his predecessor, Workers Party (PT) Mayor Fernando Haddad. In 2015, Haddad proposed a maximum pension of around 5,600 reais ($US1,692), which would slash the pensions of 57 percent of teachers and other public sector workers after retirement, and the creation of a complementary pension plan (SAMPAPREV) managed by private funds.

After two major demonstrations of teachers in 2016, Haddad withdrew his pension reform proposal and "pledged not to change the São Paulo pension system this year", reported the daily *Estado de São Paulo* at the time.

After having lost the 2016 election to Doria, however, three days before leaving office, in a treacherous move against public sector workers, Haddad sent the SAMPAPREV proposal once again to the City Council, which paved the way for Doria to extend Haddad's attacks against teachers and other public sector workers.

Besides the creation of SAMPAPREV, Doria's pension reform includes a hike in employee pension contributions from 11 percent to 14 percent, and the creation of a fully funded capitalization pension system managed by private funds for those workers who enter the public sector after the approval of the pension reform.

One of the most controversial measures was an extra contribution of between 1 and 5 percent, depending on the public workers' salary rates over the next 75 years, increasing workers' pension contribution to up to 19 percent, which was withdrawn from the pension reform after the greatest teachers' demonstration in history of São Paulo, with 80,000 of them protesting on March 15 in front of the City Council.

Doria's justification for the pension reform is the growing pension deficit, which last year reached 4.7 billion reais ($US1.4 billion) and is expected to reach 20.8 billion reais ($US6.3 billion) in 2025. Paulo Uebel, Doria's management secretary, in an interview with *Folha*, said, "the amount of money that is being invested to cover the pension deficit is no longer being invested in education, healthcare, and other key areas."

However, this justification, which repeats the "there is no money" claim of the ruling class across the globe, is a lie. Besides ignoring the increase in tax revenues last year and the expectation of another increase of up to 15 percent this year, it does not take into account that São Paulo spends 38.5 percent of the city's revenue on the payment of wages and pensions of public sector workers, far less than the 58.2 percent of Rio de Janeiro, where pension contributions have been hiked to 14 percent.

The "there is no money" claim, is rooted in the parasitic interests of the banks and corporations that dominate the Brazilian state. Data from São Paulo's finance secretary revealed that the active debt held by major banks and corporations is 102 billion reais ($US31 billion), almost twice as much the city's annual budget.

The top two holders of São Paulo's deb are the Santander and Itaú banks, whose profits in 2017 rose 35.6 percent and 12.3 percent respectively, compared to 2016.

Doria's pension reform, with the creation of two pension systems managed by private funds, tends to further benefit the private banks and increase their profits. Moreover, it is not only the case of major banks, but also major corporations that, from the moment Doria took office, have started to see São Paulo public finances as a means to increase their profits.

In the first month of his administration, Doria had meetings every other day with businessmen, and in February of last year made an international trip—to South Korea, China and the oil rich monarchies of the Middle East—to look for new investors for a huge privatization program that was approved in the City Council last September.

Besides the privatization scheme, Doria is carrying forward a series of partnerships with private corporations, which he claims to be of "zero cost to public coffers."

The most controversial corporate "contribution" last year was the "donation" of 165 types of medicines from 12 pharmaceutical industries to São Paulo's public healthcare system. Half of them had less than a year to expiration and therefore could not be sold commercially. However, in exchange, the pharmaceutical industries were exempted from paying São Paulo's goods and services tax for three months, with a total exemption of 66 million reais ($US20 million), almost twice the list cost of the expiring drugs.

Doria's class interests are utterly clear: create new business opportunities in São Paulo at the expense of slashing the living standards of teachers, other public sector workers and the working population of the city as a whole. With a net worth of 180 million reais ($US54 million), he is a rich man ruling in the interests of the far richer.

These new business opportunities are taking place mainly through LIDE, Doria's huge corporate lobby group with almost 1,800 associated corporations. The corporate media has itself pointed to the "conflicts of interests" in this process, with *Folha* reporting last September that "Doria gives space in his administration to corporations that are associated with LIDE."

Together with his privatization program, Doria began his administration with a huge austerity agenda. In the first month in office, he froze 2.6 billion reais ($785 million) in education and health care funding, cutting spending respectively by 28.5 percent and 20.7 percent. From the 6.1 billion reais ($1.8 billion) that was expected to be invested in São Paulo in the 2016 budget, Doria cut 75 percent of it last year. This year's budget shows cuts of 34 percent in housing, 23 percent in infrastructure and construction, 15 percent in sports and 15 percent in culture.

This year, in addition to a 5 percent increase in bus fares, Doria is preparing profound changes in the bus system of São Paulo, with the reduction of 149 bus lines, 11 percent of the 1,336 bus lines in the city, and also the reduction in the number of buses, with 7 percent fewer buses on the road, measures that will force passengers to increase the number of transfers from one bus to another and raise the average commute time to and from work to three hours.

Doria is also preparing a restructuring plan in São Paulo's public health care system, with the closure of 108 urgent care clinics, which he claims will be transferred to other health care units. The São Paulo public attorney's office has already opened an investigation into charges of the city government "disrespecting the citizens' right to health care" motivated by a 4,000-signature petition submitted by residents affected by the closures.

Regarding education, last April, *Folha* reported that schools would no longer receive basic arts supplies and other materials needed by students and teachers. There was also a savage cut to a milk distribution program (*Leve Leite*) for poor students, with 73 percent of the beneficiaries cut from the program. Also cut were free school transportation for disabled students and those students who live in areas of São Paulo with difficult access to public transport, and the closure of playrooms and libraries in kindergartens.

One of the main problems facing São Paulo working class families, a deficit of more than 65,000 spaces in daycare centers (*creches*), is far from being resolved by the Doria administration, which promised to solve it in 2017, but created only 20,000 spaces last year.

In the face of all of these attacks, isolated demonstrations and protests have been developing since Doria took office. In March of last year, outsourced cultural employees took to the streets to protest against Doria's 43 percent cut in funding for culture, which ended dance, theater and art classes in schools and affected more than 4,000 students. In the beginning of this year, parents protested against the end of free school transportation for their children. Last Wednesday, March 21, the Homeless Movement occupied the offices of the city's transport secretary to protest against the shutting down of bus lines.

With the teachers' strike, the movement against Doria's austerity agenda now gains a new dimension. At the same time, the same issues present in the strike by US teachers in the state of West Virginia and similar struggles around the globe are posed to the São Paulo teachers, who must turn to the other public sector employees and the working population of São Paulo as a whole to unify the struggle against Doria's austerity.

However, for the struggle to make such a turn, Sao Paulo teachers can place no trust in the bureaucratic leaderships of the unions. Claudio Fonseca, the president for almost 30 years of the São Paulo teachers' union (SINPEEM), is also a City Counselor representing the PPS (Socialist Popular Party). A party that emerged from a split-off from the Stalinist Brazilian Communist Party in the early 1990s, the PPS serves as part of Doria's political base in the City Council.

Fonseca has a record of betrayal against teachers. In 2012, he shut down a seven-day strike of teachers, despite the teachers voting for its continuation. At the time, outraged teachers surrounded a sound truck from which Fonseca was speaking, holding him for two hours before he was able to flee with the aid of the police. A retired teacher interviewed by *Rede Brasil Atual* website at the time said she "had already seen the police repress demonstrations of workers, but as for union repression, this was the first time."

Just as in Argentina, Brazil's section of the Morenoite International Fraction of the Fourth International, the Movimento Revolucionário dos Trabalhadores (MRT), is calling upon Brazil's largest union federation, the PT-controlled CUT, and the Communist Party of Brazil-controlled CTB, "to put the workers back into the struggle" against austerity.

However, this organization deliberately seeks to obscure the hostility of the unions towards the interests of workers and the experiences made by the Brazilian working class with the betrayals carried out by the CUT and CTB in the struggle against the austerity program of Brazil's President Michel Temer.

Since the impeachment of Dilma Rousseff (PT), CUT, CTB and their allied popular fronts—*Brasil Popular* (Popular Brazil) and *Povo sem Medo* (People without Fear)—did not mobilize workers against the 2016 high school reform, which led to a wave of occupations of schools and universities, the constitutional amendment that froze social spending for 20 years—resulting last year in federal spending on education and health care declining 3 percent compared to 2016—and Temer's labor reform.

The struggle against the austerity of Doria and Temer poses the need to form rank-and-file committees of teachers, students and the working population of São Paulo in a unified mass political movement against the claim that "there is no money." This can be carried out only through a break with the unions and the building of a socialist movement of the working class, with the demand to expropriate the major banks and corporations, which are responsible for the lack of money for social rights.

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