

Brazil's Bolsonaro increases drive for "pensions' reform," more state powers in second week of government

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The second week of Brazil's new government led by President Jair Bolsonaro, the fascistic former Army captain, has seen frenzied preparations to send a so-called "pensions reform" to the next session, which is to begin in February. The reactionary measure is unanimously seen by national and international investors as the single most pressing task in the sharp turn to the right taken by the Brazilian political system.

In an attempt to illustrate the centrality of the so-called reform for the Brazilian and international bourgeoisie, pundit Maria Cristina Fernandes titled her *Valor* financial daily column of January 10, "[Economy Minister Paulo] Guedes's expenditures limit meets Trump's wall," arguing that, just as Trump, "Guedes sees a government shutdown as an alternative."

The Brazilian government shutdown would be automatically triggered by the so-called "expenditures limit," a constitutional amendment voted by Congress in 2016, to stop the government spending more than allotted in the budget. In his first speech, Guedes signaled his willingness to use the threat of a shutdown to compel Congress to approve the pension reform.

The reform has been a major objective within Brazilian ruling circles for at least four years, and has been articulated since the former Workers Party (PT) government of Dilma Rousseff, which was ousted in the 2016 impeachment. It has been repeatedly delayed by the government of her successor and former vice-president, Michel Temer, as it was itself rocked by corruption charges and appeared to be in danger of falling during the whole of 2017.

Later, with the approach of the 2018 general elections, the fear of electoral defeats for the congressmen who voted in its favor pushed it off the agenda once again.

Significantly, whatever popularity the fascistic Bolsonaro had gathered during his years as a member of the congressional coalition led by the Workers Party was due largely to his demagogic denunciations of the reform, for which he was fiercely criticized from the right by the bourgeois press and the Workers Party itself.

Before its downfall, the PT claimed that the Brazilian economic crisis which sealed the fate of its government had been artificially caused by the refusal of right-wing parties in Congress, including Bolsonaro's former Progressive Party and Michel Temer's Brazilian Democratic Movement party, to vote for its austerity measures.

The few months since Bolsonaro's election, however, have seen an intensifying effort in favor of the reform, culminating in the declarations of Guedes. The central tenet of the reform is an increase of the minimum retirement age to 65, barely years shy of the life

expectancy for the poorest Brazilian states and much higher than the 55 years of life for the average citizen born into the slums of South America's richest city, São Paulo.

Other proposed measures are the establishment of an individual capitalization scheme in which investment funds will be allowed to operate, the reduction of the minimum retirement benefit to 70 percent of the minimum wage (today, the minimum wage is the minimum benefit, paid to poor workers who were unable to pay pension taxes during their working lives), and the exclusion of sick leave periods from the 30-year contribution period necessary to claim retirement.

The social impact of the widely hated reform will be nothing less than devastating. It is estimated that no fewer than 5 million families, composed of 17 million people, have the pensions of their eldest members as the major source of income, representing more than 75 percent of the household earnings. *Valor* estimated in 2017 that in 10 percent of Brazilian municipalities, pensions represent 25 percent or more of the GDP. In 82 percent of municipalities—4,500 of them—pensions add up to a higher value than all the federal, state and local taxes collected.

The government's preparations for such a destructive measure are a string of measures to increase its repressive powers to confront the inevitable social explosions.

In his first measure as president, the signing of the provisional measure nominating his cabinet, Bolsonaro entrusted his secretary, retired Gen. Carlos Alberto dos Santos Cruz, with the responsibility of "overseeing, monitoring, coordinating and following the activities and actions of international organizations and NGOs in national territory."

This deliberately limited but draconian language was immediately highlighted by NGOs and environmental organizations as reminiscent of the 1964-1985 dictatorship-era surveillance, then, as today, justified with right-wing nationalist language about "protecting economic interests," particularly in the mineral-rich Amazon region.

Even more sweeping measures are being presented under a pretext of fighting crime. Justice Minister Sérgio Moro, the right-wing former district court judge responsible for the most prominent sentences in the Lava-Jato (Carwash) corruption probe that engulfed the whole political spectrum over the last four years, will reportedly present to Congress a law lengthening the period for provisional detention.

Meanwhile, Bolsonaro himself has seized upon a series of attacks by organized crime gangs on retail and public infrastructure in the northeastern state of Ceará to announce his intention of extending Brazil's draconian anti-terror law, introduced by the PT in 2016. The extension would cover the "destruction of public or private property,"

a measure that will inevitably open the way for framing as terrorists those participating in anti-government demonstrations and, most immediately, Brazilians involved in the myriad of squatter movements. The latter consists of tens of thousands of members, occupying what they claim fits the Brazilian Constitution's definition of "unproductive property" that should be targeted for expropriation by the state.

Every one of these measures and announcements has been answered by the PT opposition and all the self-proclaimed "nationalists" with deepening prostration and an attempt to minimize the seriousness of the government's actions. If anything, the PT and its mouthpieces, *CartaCapital* and *Brasil247*, have deepened their search for a common ground with elements of the Bolsonaro cabinet, in expectation that the conflicts ravaging Bolsonaro's team since the campaign may benefit the PT's next electoral efforts.

The party's prostration had been clear from the immediate aftermath of the election, when with utter cowardice, PT's presidential candidate, Fernando Haddad, told a New York audience at the "Peoples Forum" promoted by Bernie Sanders and Yanis Varoufakis that "we cannot cheer for mistakes of the government in order to increase our electoral chances," and that "we will have four years of growth with Bolsonaro."

The party's cynical posturing over the pension reform, first proposed by the PT, and the new president's extreme-right Christian bigotry—which the PT ignored when it was in alliance with these same tendencies in Congress—has been joined with a promotion of the many "responsible" military elements in the cabinet and an adoption of the right-wing language of the bourgeois press, criticizing Bolsonaro's "incompetence."

The PT's efforts are fully directed to singling out the military hardliners as the "adults in the room" and tutors of Bolsonaro, whom they believe will oppose privatizations and a Trump-style, far-right "anti-globalist" foreign policy on the basis that they would harm Brazilian business interests, especially with China and Europe.

On January 12, *Brasil247* reacted to the formation of a Ministerial Council on Foreign Relations with a celebratory headline: "Military start to isolate the insane Chancellor"—referring to the far-right diplomat nominated by Bolsonaro as his foreign minister, Ernesto Araújo. The report continued in a laudatory tone: "members of the military dissatisfied with the precarious ideas and agenda of Araújo have formulated the usual remedy against the incompetents: they will form a council for his area," virtually stripping him of his powers.

This followed yet another pro-military article by PT's former foreign minister, Celso Amorim, in *CartaCapital* on January 11, titled "Will the military be the ones to save our foreign policy?," in which he pitched the military wing against the government, eulogizing the former junta: "How to conciliate the nationalism ardently defended at least since [former junta head, Ernesto Geisel] with such a bowing to US interests?"—referring to Bolsonaro's foreign policy. He concludes: "we have to recognize that the most rational elements on international matters are precisely the military. So be it."

That this pitch towards the military will extend well beyond the foreign policy realm is made clear by a myriad of articles and columns by self-styled "nationalist" pundits who since the PT first came to power have become its foremost propagandists. In a January 9 column in *Folha de S. Paulo*, economist Bresser-Pereira, a fixture of pro-PT events, wrote, "we can't have governments that are at the same time neoliberal and right-wing populist," before predicting that the neoliberals wouldn't hold on to the government "because their model

is in crisis, as we see from the UK and Italy" and calling for an alliance with "center-right populists."

The purported opposition of the military, on pragmatic, business grounds, to the evangelical Christian bigotry of Araújo and other cabinet members—which pundits worry will hurt investments and trade with the European Union—is a further justification for an appeal to the government's military wing. Pundit Luís Nassif wrote that "Brazil already has a military government" and "the time is to leave this behind and fight against obscurantism." The true content of "leaving this behind" may be clarified by a December article stating that "by the logic of the military, we shouldn't expect the fundamentalists to survive for long."

The January 8 article by the PT's president, Gleisi Hoffmann, on *Brasil247* ultimately exposes the depth of such discussions within the party. Condescendingly called "We need to talk about national sovereignty and the military," it offers the military an amnesty for their opposition to the PT. She delivers a direct appeal, writing that "the military taking part in Bolsonaro's government will respond to their conscience about their methods and choices in the conspiracy to bring down the Workers Party." She concludes: "But they will not be judged by future generations only on the basis of their moral or political choices, but mainly based on their commitment to national sovereignty."

This all follows the *Brasil247* November 29 posting of the results of an infamous "poll" claiming that 90 percent of its readership believed that the "military group that surrounds Bolsonaro" should intervene to stop him from subordinating Brazil to the foreign policy of Washington.

At every point, such an appeal is based on a treacherous minimization of and cynical light-mindedness toward the depth of the crisis engulfing Brazilian ruling circles. Reacting to the latest cover of Brazil's main right-wing weekly *Veja* magazine, comparing Bolsonaro's government to the short-lived presidency of the populist Jânio Quadros, in 1961, *Brasil247* states: "The most foolish inaugural week of a government in history made the traditional press see the obvious: Bolsonaro's expiration date is that of a fake news item. *Veja* produced a cover highlighting how disposable this president is." It lauded *Veja* for pointing out that Bolsonaro has a political agenda that is "confused, erratic and destitute of historical and political meaning."

The first two weeks of Bolsonaro's government expose not only the grave dangers confronting the Brazilian and Latin American working class, but also the utter hostility of the official "left" to seriously countering them. The PT's positions are class-based: Its constituency is not the working class, but the bourgeoisie and upper middle class layers worried about their investments, commercial agreements, stock prices and identity-based struggles for positions at the highest echelons of business.



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