Brazilian unions defend reactionary pension “reform” at May Day rally

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A week after the Brazilian House’s Constitutional Panel approved the government’s reactionary pension “reform,” the heads of Brazil’s unions gathered in downtown São Paulo for a first-ever unified May Day rally defending it.

They stood side-by-side with representatives of the supposedly “left” opposition to Bolsonaro, chiefly the Workers Party (PT) and its pseudo-left apologist, the Socialism and Liberty Party (PSOL).

The “reform” has been the single most pressing issue for the country’s ruling circles since the world economic crisis hit the country with full force in 2013, leading to an 8 percent drop in GDP by 2016 and, since then, the slowest economic recovery in history.

The widely hated “reform” is aimed at placing the full burden of the country’s public debt on the backs of workers, robbing no less than 1.3 trillion reais (US$ 425 billion) from active and retired workers over the course of the next 10 years.

It will do so by increasing the minimum retirement age to 65, just shy of the life expectancy in the poorest Brazilian states, and much higher than the 55 years of life for the average citizen born into the slums of São Paulo. It also slashes the minimum retirement benefit to 70 percent of the US$250 minimum wage (today, a full minimum wage is the minimum benefit, paid to poor workers unable to pay pension taxes during their working lives) and establishes an individual capitalization scheme in which investment funds will be allowed to operate.

The devastating social impact of the reform is made clear by the fact that for 17 million people the pensions of the eldest members of their families constitute their principal source of income, representing more than 75 percent of household earnings.

The drive toward reform has been increased by new economic figures further substantiating the slowest economic recovery in the country’s history, with per capita income still 9 percent lower than the pre-crisis peak, economic growth equaling just the yearly 1 percent population growth since 2016, and a new rise in unemployment to 12.7 percent, or 13.4 million workers.

The country’s statistics department, IBGE, reveals that the real economic situation is even more dire, with a record 25 percent of the workforce—no less than 28.3 million workers—either unemployed, working part time or having ceased looking for a job—a 5.6 percent increase over the last quarter.

The massive restructuring of class relations embodied in the pension reform has been, alongside the rapprochement with Washington, the central aim of the Brazilian ruling class since the 2014 election. First proposed by former PT president Dilma Rousseff, the reform was central to the austerity measures that provoked a sharp drop in PT votes from working class centers in 2014 and later made large sections of the working class utterly indifferent to the right-wing maneuvers leading to her impeachment in 2016. With the impeachment of the unpopular Rousseff, the ruling class hoped to be able to push through the reform under her vice-president, Michel Temer, who would leave office as the most unpopular president since the end of the dictatorship.

The new reform proposal was derailed by threats of another impeachment in 2017 and the approach of the 2018 elections, as congressmen feared they would be punished at the polls for supporting the measure. The fear was well founded: an April 2017 general strike called to let off steam saw a militant response of 35 million workers in the 185 largest cities in the country, bringing industry and transport to a halt.

Bolsonaro’s popularity, which has dramatically eroded since he took office, stemmed in part from his toothless and demagogic opposition to the pension reform when he was a member of the PT-led coalition in Congress.

Given this past history, the fear of losing control of a

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new mass strike is at the center of the PT's tactics regarding the reform, which it fully endorses. While claiming to oppose the government, the PT has been frantically promoting Bolsonaro's vice president, the ultra-right dictatorship apologist Gen. Hamilton Mourão, as a nationalist dedicated to opposing Bolsonaro's turn to US imperialism and especially his coordination with Washington in the regime change operation in Venezuela.

Pursuing a similarly treacherous policy in discussions on the pension reform, the PT has been desperately and obsessively concocting rifts between Bolsonaro and his economic team, led by "Chicago Boy" Paulo Guedes, which ultimately serves to amplify Bolsonaro's own claims that he is being "pressured" into implementing the reform.

Bolsonaro's posturing is illustrated by a furious editorial in *O Estado de S. Paulo* on April 27 which reacted to Bolsonaro's comments that he was expecting a reform with barely half the cuts proposed by Guedes. The editorial charged that "president Jair Bolsonaro seems inexplicably inclined to make concessions and offers even before anyone demands them, as if he, himself, didn't value his reform."

With every sign of pressure by Brazil's capitalist ruling circles on Bolsonaro, the PT's mouthpiece, *Brasil247*, reacts with a concocted news story designed to channel dissatisfaction with the government behind Guedes. Two days into his government, *Brasil247* posted a story headlined: "Bolsonaro betrays the markets: pension reform will be weaker than Temer's."

This policy culminated in the reactionary May Day spectacle, in which the country's largest trade union federation, the PT-controlled CUT, chose to organize for the first time a "unity" rally with UGT and Força Sindical, the second and third largest federations, which the CUT had for decades criticized as organizing company unions.

The CUT itself had already shown utter cowardice by sending Bolsonaro a letter apologizing for questioning his legitimacy and sought to approach him through vice president Mourão in early February. The UGT's president, Ricardo Patah, had as late as Monday, held a meeting with Bolsonaro promising to "bridge the gap" between the other federations and the government. At the rally, he publicly opposed a general strike announced for June 14.

For its part, Força Sindical's president and São Paulo congressional representative Paulo da Silva declared that his party and the whole so-called "center" consisting of 207 of the 513 House seats were pursuing a pension reform worth 500 billion reais in cuts over 10 years. He justified the proposal by claiming that 500 billion reais in cuts would keep the federal budget tight enough "not to allow Bolsonaro to spend and be reelected." In other words, far from opposing the slaughter of workers' rights, the "center" parties believe they can blackmail the government.

There is no doubt that Bolsonaro will engage in such horse-trading, and that the PT is only waiting for similar offers to contribute its share of votes to the reform.

The government has floated the proposal of allowing a 65 percent increase in investments in the constituencies of representatives who vote for the reform, and of negotiating no less than 2,000 low level federal government jobs for parties that do the same.

The June 14 general strike date is set to coincide with the end of discussions in a special Congressional panel, and the floor vote on the "reform." It will give the government a month and a half truce for horse trading. It is also designed to give the union bureaucracy ample time to call the action off, as it has done countless times since the April 2017 strike that horrified the PT and the unions.

These developments have explosive implications. With his popularity already in free fall, the fascistic Bolsonaro is becoming engulfed in the austerity policies and corruption practices that have discredited the whole Brazilian political system—first and foremost the PT, which as early as 2003, resorted to vote-buying to pass a civil service "reform."

To fight the mounting attacks on the working class, it is necessary to relentlessly expose the PT's feigned opposition and the cover-ups by the pseudo-left groups that orbit it and were co-sponsors of the May Day spectacle. This includes first and foremost the Pabloite-Morenoite consortium in PSOL, which took its Intersindical federation to the rally, the Morenoite PSTU, which shares with PSOL control of CSP-Conlutas, and the Lambertite Workers Cause Party (PCO), which provides a left cover for CUT itself and promotes the illusion that the imprisoned former PT president Luiz Inacio Lula da Silva is somehow opposed to the reactionary pro-capitalist policies of his own party.

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