Recriminations within Brazilian ruling classes over Trump's OECD snub

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The report on October 10 by Bloomberg that the US government had effectively rescinded President Donald Trump's promise to support Brazil's entry into the Organization for Economic Cooperation and Development (OECD) sent shock waves across the Brazilian political establishment, from President Jair Bolsonaro's ruling Social Liberal Party (PSL) to the editorial boards of major newspapers and the official opposition, led by the Workers Party (PT).

The accession to the organization, unanimously described by the Brazilian press as "the rich countries' club", had become an obsession for the ruling elite after the world economic crisis hit the country with full force in 2015. Membership was seen as a panacea, providing a "seal of approval" to attract investment. Pursuit of admission to the OECD played a large role in prompting the then-ruling PT to impose a radical right-wing shift in economic policy, abandoning its rhetoric of social reform in the name of brutal austerity measures aimed at satisfying the demands of world finance capital.

Austerity was presented as the guarantee of future foreign investment and jobs, at the same time that GDP was dropping 8 percent and a hemorrhaging of jobs hiked the unemployment rate to 13 percent, or 13 million workers, by 2016. According to current projections, it will take the country until 2027 to recover the 2013 pre-crisis level of economic activity.

The Brazilian ruling class found itself caught between the economic slowdown of its main economic partner, China, which had guaranteed four years of above-average economic growth at the height of the so-called "Pink Tide", and the gravitational pull of an increasingly aggressive US imperialism. It hoped that its violent right-wing shift would offset rifts with other so-called "BRICS" countries (the acronym stands for Brazil, Russia, India, China, South Africa) through the forging of a "special relationship" with Trump's United States.

That a single paragraph in a letter drafted by US Secretary of State Mike Pompeo failing to mention Brazil set off a political firestorm that dominated the front pages of every major newspaper as well as the debate in Congress says a great deal about the precarious political situation in the country.

US support for the OECD accession had been presented by the government as the major "concession" obtained by Bolsonaro in his March trip to the US, in which he agreed to a key US demand that Brazil give up its "developing country" status in the World Trade Organization—a measure aimed at pressuring other BRICS countries, and China in particular—to follow suit.

Brazil also finally agreed to cede to the Pentagon the use of its Alcântara airbase, widely considered one of the best rocket launching pads in the world due to its location on the equator. A US demand for decades, use of the base had been denied to Washington by Brazilian governments going back to the US-backed 1964-1985 military dictatorship. Significantly, it has now been ceded to US imperialism with key support from the Maoist wing of the Communist Party (PCdoB), which holds the governorship of the state of Maranhão, where the base is located.

The Brazilian government also signaled it would not intervene in the Boeing takeover of the Brazilian aviation giant Embraer, a leader in the small-to-mid-sized commercial aircraft market that would give Boeing leverage to compete with Airbus after its takeover of the Canadian company Bombardier. The deal faced internal criticism for potentially giving Boeing access to Brazilian military technology.

Other Brazilian concessions included import quotas for corn-based ethanol and pork—which would directly compete with local agribusiness—and wheat, which Brazil has largely imported from Argentina, guaranteeing a trade balance between the two rival Latin American neighbors.

On the return to Brazil after the US trip, Bolsonaro triumphantly presented US support as a guarantee of Brazilian accession to the OECD. While he faced mild criticism in the press over whether so many Brazilian concessions were actually necessary, the response within

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ruling circles was generally supportive of the supposed benefits to be gained by the pro-US turn. Taking its lead from Brazilian business circles, the PT itself adopted a a pro-imperialist stance, attempting to present the OECD as a civilizing influence on Brazil's fascistic president. Workers Party mouthpiece, Brasil247, commented that the "far-right policies of the Brazilian government counter OECD recommendations."

Moods turned sour however with Bloomberg's October 10 report, unleashing a barrage of criticism in editorials and opinion pieces, denouncing Bolsonaro's "foolishness" and "amateurism", for chasing "mirages" and holding "fanciful" views on foreign policy. This was accompanied by nervous attempts to minimize the relevance of the US failure to recommend OECD membership by claiming that it would be a "natural consequence" of austerity and "reforms". Twitter reassurances by Pompeo and even Trump that the US "still supported the process" of Brazilian accension had little impact on the criticism of the government.

In its October 12 editorial, Brazil's oldest daily and mouthpiece of the military command, *O Estado de S. Paulo*, ironically referred to Bolsonaro's "imaginary" friendship with Trump, while stating that the frustration over the OECD should "serve as a warning to Bolsonaro over his unconditional adhesion to the US on foreign policy." At the same time, it asserted that US support was irrelevant, as Brazil was the "best candidate" of all the countries applying for membership, according to OECD assistant secretary Ludger Schuknecht. For its part, the voice of Bolsonaro's "liberal opposition," *Folha de S. Paulo*, sought to minimize the issue, claiming Bolsonaro had created a "factoid" when claiming US support, and had thus by himself created a difficult terrain for his government.

In another sign of the growing rifts within the ruling class, Bolsonaro's own PSL's Senate leader, Major Olímpio, said the OECD snub called into question the president's diplomatic tilt towards the US and would bury his attempt to name his son, Eduardo Bolsonaro, the head of the House Foreign Affairs Committee, as ambassador to Washington.

For its part, the PT seized the opportunity to double down on its push to subordinate growing popular opposition to Bolsonaro to his right-wing critics in congressional and business circles, with the accompanying "left" rhetoric to cover for the party's pro-imperialist maneuvering.

Brasil247's foreign policy commentator and the PT's Senate aide, Marcelo Zero, aped pundits in the major papers, calling Bolsonaro's foreign policy "fantasiepolitik". While complaining that the government was left empty handed, he praised the OECD's expansion by admitting "many emerging countries" as "possibly hindering" Trump's nationalist agenda. He concluded by advancing the PT's phony nationalist rhetoric: "Why would Trump make any real concessions to Brazil if he can get everything for free?" While in power, the same PT regularly invoked OECD-related "demands" to justify its reactionary measures, most notably the draconian 2016 anti-terror law, which the government claimed was directed at complying with financial regulations of OECD countries.

The growing recriminations over Bolsonaro's foreign policy expose the dead end of the Brazilian bourgeoisie after the end of the commodity boom that saved it—along with the rest of the continent's ruling classes—from a previous continent-wide popular revolt against austerity, allowing "Pink Tide" governments to offer the oppressed Latin American masses limited poverty-relief measures.

Having lost support in the working class and being ousted from power in the trumped-up 2016 impeachment against President Dilma Rousseff, the PT cannot play the same role again. Its focus on tactical rifts over foreign policy as the key to opposing Bolsonaro—in a "unanimous" alliance with everyone else—exposes its own incapacity to formulate any alternative for the working class. Instead, its policies are pitched to the party's bourgeois and upper-middle class base—complete with their double citizenships and centuries-old obsession with the latest fashion in Paris or London.

The key issues that are bringing workers and youth into the streets of Ecuador and Chile—fuel prices, mass transit fare hikes and unprecedented social inequality—were also the catalysts for the 2013 mass demonstrations and the 2018 truckers' strike in Brazil. There is no doubt that a new eruption of class struggle in Brazil will turn not only against the fascistic Bolsonaro, but also against his bourgeois opposition, first and foremost the PT.

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