

As Brazil's inequality soars, ruling elite sets racist trap for the working class

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Over the last half decade, the Brazilian working class has suffered a violent reduction in its living standards. The economic recession in Brazil, marked by the crisis of the so-called “commodities cycle,” meant, besides the fall and stagnation of its GDP, an intensification of already staggering levels of social inequality.

Between 2015 and 2019, while the poorest half of the population saw its income shrink by 17 percent, the top 1 percent had an increase of 10 percent. The UN Human Development Report, released at the end of 2019, reported that Brazil fell one place in world inequality rankings to become the seventh most unequal country on the planet.

This social crisis was expressed in a significant increase of unemployment levels, especially among youth. The official unemployment rate among young people aged 14 to 25 jumped from 14.5 percent at the end of 2014, to 26 percent at the end of 2018. In this same period, the income of young people aged 20 to 24 fell five times further than that of the rest of the population.

The COVID-19 pandemic, which hit Brazil in March 2020, has exacerbated the contradictions that had been developing over the previous years, taking them to increasingly intolerable levels.

The criminal response of the capitalist ruling elite to the pandemic, guided by its profit interests, was to allow the new coronavirus to spread, taking the lives of already some 150,000 Brazilians, while deepening the economic attacks on the working class.

In the first three months of the pandemic, which coincided with a sharp fall in Brazil's GDP, nearly 10 million workers lost their jobs, while another 11 million had their wages reduced. The Brazilian Institute of Geography and Statistics (IBGE) recorded for the first time more than half of the working age population as unemployed.

Youth unemployment rates skyrocketed during this period. While among the general population official unemployment reached a record level of 13.2 percent (and continues to rise), among young people aged 18 to 24 it reached 29.7 percent. This will leave permanent scars on an entire generation of the Brazilian working class.

The combination of job losses and declining wages in the first quarter of the pandemic produced a 20 percent drop in Brazilians' individual labor income and a 2.82 percent increase in inequality, according to a recent study by Fundação Getúlio Vargas (FGV). The labor income of the poorest half of the population fell by 27.9

percent, as compared to 17.5 percent among the top 10 percent. These numbers constitute negative historical records, both in absolute terms and in the degree of their variation.

But the study observed a “paradox” when considering data from sources of income in general, and not only from labor. They showed a fall in poverty and inequality over the same period. The payment of emergency aid of 600 reais (US\$106) a month to a significant part of the population generated, in their words, an “anesthetic effect” in relation to the real social crisis. This aid has been cut in half since September and is expected to end in December, indicating that this crisis is coming increasingly close to an explosion.

While the working class and sections of the middle class have experienced terrible sufferings and privations during the pandemic, the scenario is very different when it comes to the capitalist oligarchy.

In the first five months of the pandemic, even as the country's GDP fell by more than 10 percent, Brazil's 42 billionaires saw a stupendous growth in their combined net worth, which jumped from US\$123.1 billion to US\$157.1 billion, according to the aid organization Oxfam.

The Brazilian *Forbes* magazine, which published its billionaires list in September, noted: “Despite the numerous economic consequences caused by the COVID-19 pandemic this year, Forbes' list of Brazilian billionaires [in reais] broke a new record of new names. There are 33 new billionaires in the ranking, 16 percent more than last year.”

One of the highlights of the list was Luiza Helena Trajano, who chairs the board of the retail chain Magazine Luiza. She jumped from 24th to 8th place, appearing for the first time as the richest woman in Brazil. Trajano saw her assets increase by more than 180 percent to reach 24 billion reais (US\$4.27 billion). The shares of Magazine Luiza, which is emerging as a Brazilian version of Amazon, accumulated a valuation of almost 90 percent in 2020.

As if by chance, less than a week before *Forbes* released its list, Luiza Trajano made the front pages of Brazilian newspapers over a controversy that did not center on her obscene accumulation of wealth.

On September 18, Magazine Luiza announced a national trainee program for “leadership positions” in the corporation that would admit exclusively black candidates. The company claimed that the race-based training scheme was the first of its kind in Brazil. The program opened 20 vacancies for jobs paying 6,600 reais

(US\$1,174) monthly to candidates recently graduated in any field. Shortly thereafter, the German based pharmaceutical transnational, Bayer, announced a trainee program in the exact same terms, with 19 vacancies reserved exclusively for black Brazilians.

On its Twitter account, Magazine Luiza explained the program, stating: “Currently, we have 53 percent black and brown employees. And only 16 percent of them occupy leadership positions. We need to change this scenario.” In the following weeks, in a series of interviews, Trajano further justified the program with empty phrases about “structural racism.” In one of her appearances, she stated that the program shouldn’t be credited to her, but to George Floyd, murdered by the police in the US!

In the face of right-wing attacks on the training program, Luiza Trajano was portrayed as some sort of champion of democratic values in sections of the Brazilian media. She also received effusive support from the pseudo left. The website *Brasil 247*, which is aligned with the Workers Party (PT), described her as “an entrepreneur traditionally linked to progressive causes in the country, having supported the PT governments and the fight against racism.”

University of São Paulo (USP) professor Dennis de Oliveira, a reference point for the racist theories of the Brazilian pseudo left, stated: “The initiative of Magazine Luiza, besides being a product of pressure from the black movement, also shows that the company is attuned to studies made all over the world, mainly in the United States, showing that companies that adopt policies in favor of diversity obtain better results.”

In an article published in *Ecoa* magazine, journalist Bianca Santana said that with the launch of Magazine Luiza’s trainee program, the “richest woman in Brazil ... announces a break with the narcissistic pact with whiteness.”

These corrupt ideas are based on the interests of layers of the upper middle class and their dispute over positions at the top of society. As opposed to what they say, the interests of the masses of white workers are not defended by a supposed “pact with whiteness,” just as the purported “break” with this “pact,” with the pathetic creation of 20 well-paid positions under conditions in which more than half the population is unemployed, in no way alters the increasingly desperate conditions of the masses of black workers.

The praise for Luiza Trajano, whose social interests are directly linked to the privations inflicted upon the vast majority of the population, as a progressive figure within Brazilian society is a grotesque farce. Her promotion of racist politics, like that carried out by the PT and the pseudo left, derives from their fear of a working class uprising endangering their social privileges.

In her last interview, broadcast Monday on the television talk show “Roda Viva,” Trajano gave voice to a set of ideas that correspond to her reactionary class interests. While she stated that she cried when she discovered what “structural racism” was, she also expressed her adamant opposition to any taxation of the fortunes of billionaires like herself, defending the position that the capitalists should be free to decide to what social causes they want to contribute their “donations.”

She also made a pathetic attempt to deny her position as the richest woman in Brazil, saying that she did not agree with *Forbes*

’ criteria, and that those numbers are only “on paper,” corresponding to fluctuations in the stock market. That her wealth is based upon financial market speculation is true, but this is the way in which the entire parasitic elite of which she is a member have accumulated unprecedented wealth as the real economy and the conditions of the masses continue to decline.

Expressing the outlook of her class toward the COVID-19 pandemic, Trajano said: “I confess I was very calm about the company, this is something that the epidemic gave me.” She refused to condemn the sociopathic policy of Brazil’s fascist President Jair Bolsonaro, whose policies have directly benefited her, saying that what made her “very sad” were the political divisions in Brazil created during the pandemic.

Trajano also defended the privatization of the Brazilian Post Office, of which her company is a potential buyer, saying that “privatization, for me, doesn’t mean firing people, it means giving speed.” That’s a blatant lie. The Post Office workers just ended a strike, bitterly betrayed by the unions, in which they fought an unprecedented set of attacks aimed at boosting its profitability and making it a more attractive asset for companies like Magazine Luiza and Amazon.

The pseudo left’s identification with such a figure flows directly from their petty-bourgeois politics. Their attempt to impose the false conception that the main division of society is between races, and not social classes, plays an entirely reactionary political role: forcing the submission of the working class to the capitalist oligarchy and its state.

The efforts by the pseudo left and bourgeois parties like the PT to divide the working class along racial, gender, and national lines dovetails with the efforts and feed the growth of fascist and right wing-forces in society, which arise out of the same rotten soil of degenerated capitalism.

The answer to the fundamental problems that plague Brazilian and global society lies in the unification of the working class as an independent political force, fighting for the expropriation of the fortunes and corporations owned by the ruling elite.

The global wave of working class strikes and protests, which have intensified since the beginning of the pandemic, shows the immense potential for the development of an international revolutionary leadership, armed with a socialist program and capable of uniting the working class of every race and nation in the struggle for political power.



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