Brazil: From Lula to Dilma

Friday 24 February 2012, by LÖWY Michael (Date first published: 1 January 2012).

Contents

Brazil is an immense country in terms of population (180 million in habitants), area (half of Latin America) and natural resources. And yet it is a country where the majority of the population live in the direst poverty. In fact, in a recent United Nations international ranking, Brazil emerged as on the most unequal countries on the planet, a country where the gap between the privileged minority and the impoverished majority is one of the greatest. According to some observers, Brazil is a kind of "SwissIndia", where the rich live as in Switzerland while the poor live as in India.

Social apartheid

This inequality is especially striking in the countryside, where a handful of big rural proprietors monopolise most of the land, while the mass of peasants have only minuscule holdings, or no land at all. With the development of capitalism in the countryside, and the replacement of crop or livestock by extensive cattle ranching — for export for the MacDonald chain — the peasants are expelled from the land by the "pistoleiros", the hired thugs of the landowners.

With the worsening of living conditions in the rural areas, notably in the north east, millions of peasants have flooded to the big cities, huge megapolises like Rio de Janeiro and Sao Paulo. Some find work in industry or services, but the unemployment rate is very high and the majority remain excluded and trapped in the favelas, the miserable shanty towns which surround the cities, where there is neither running water nor electricity nor sewers and where survival is only possible through marginal activities (street trade, prostitution) or criminality, like the drugs trade.

There is also a veritable social apartheid in the country, reflected in the big cities by a physical separation of the houses and neighbourhoods of the rich, surrounded by walls and electrified barbed wire, and guarded by private security units who carefully control all the entries and exits. A social discrimination which also has an implicit racial dimension, to the extent that the great majority of the poor are black or mixed race.

After twenty years of military dictatorship, Brazil has since 1985 experienced a return to democracy and to civilian governments. This undeniable political progress has not been followed by any effective social change. All governments, of the right or of the centre, in office since 1985 have only applied neoliberal "structural adjustment" policies demanded by the International Monetary Fund: privatisation of public services publics, reduction of health and education expenditure, and above all payment of the foreign debt, which has reached astronomical levels and which absorbs all of the exports surplus. This was notably the case with the centre right government led for eight years by Fernando Henrique Cardoso, a former left intellectual converted to the neoliberal religion who

became one of the best pupils of the IMF in Latin America. Thanks to Cardoso, the last existing public companies like the electricity company were privatised and sold to foreign companies; since the latter did not wish to make the necessary investment there are periodic sudden power cuts which plunge towns or entire regions into darkness.

However democratisation allowed the rise across the country of a new worker, peasant and popular movement, which organised the struggle of the poor for their rights and against the neoliberal policies of the government. Part of this movement was the new class conscious and independent trades unionism which emerged at the end of the 1970s, and which organised in the CUT union federation around ten million employees; the MST movement of landless rural workers, which mobilised peasants for agrarian reform, taking the initiative to occupy lands which were not being used by the big landowners; finally, the Workers' Party (PT).

The long march of the PT

How did the PT emerge? From 1978, the year of big workers strikes in the suburbs of Sao Paulo, several "authentic" trade union leaders began to agitate for the idea of an autonomous workers' party, probably starting from a reflection on the experience of the strike itself, of its confrontation with the military police apparatus of the state, and for some a first balance sheet of the social struggles in the recent history of the country (since 1964).

In October 1979 the first National Meeting of the PT took place in São Bernardo do Campo, a proletarian bastion of the metalworkers union, led by Luis Inacio da Silva, "Lula"; this was concretely the moment of foundation of the new party, and the election of its first provisional leadership took place. A brief political statement was approved at this conference, clearly affirming the goal of the party: "The PT fights so that economic and political power is directly exercised by the workers. It is the only way of ending exploitation and oppression". At the same time, the document called on "all democratic forces to constitute a broad mass front against the dictatorial regime". The PT thus proposed to fight for the formation of a single union federation, stressing that "its construction necessitates the overthrow of the current trade union structure subjected to the states".

In April-May 1980 the big strike of 250,000 metal workers broke out in São Bernardo; following the police and military intervention — arrest of main leaders, military intervention in the union — the movement was stopped; but it revealed, by its exceptional length (42 days) and its capacity of mass organisation (daily meetings of tens of thousands of workers), the surprising force of the new unionism. In May-June of this year a new National Conference of the PT met, with delegates from 22 states in Brazil, representing approximately 30,000 members of the party. A Manifesto and a Programme were approved, defining the PT as "the real political expression of all those exploited by the capitalist system" and as a mass, broad, open, democratic party. However, the PT was still far from having an elaborated "doctrine": many programmatic questions and definitions were deliberately left open to allow a broader debate and a progressive "ripening" of the activists as a whole.

The PT candidate, Luis Inacio Lula da Silva, lost the presidential elections of 1988, 1994 and 1998, beaten by the candidates of the neoliberal bourgeoisie (Collor de Mello and then F.H. Cardoso). Despite these defeats, the PT won several important municipalities in the country, and even some state governments. And it implemented, in the localities it managed, forms of rank and file democracy, like the famous "participatory budget". However there was a certain institutionalisation of the party and starting from the mid 1990s, an increasingly strong tendency, in the majority

current of the PT leadership, to pragmatism and political and programmatic “deradicalisation”. The socialist programme of 1990 was put on the back burner, and increasingly the party leadership rallied to social democracy, despite the opposition of the left currents in the Party — notably “Socialist Democracy” the tendency of the PT affiliated to the Fourth International, led by Raul Pont, the mayor of Porto Alegre.

The electoral defeats convinced Lula to change his strategy. In 2002 he imposed on a reticent PT a broad policy of alliances with bourgeois force, taking as his candidate for vice-president an industrialist, José Alencar, leader of the right wing Liberal Party. He was elected at the second round, with more than 61% of the vote, against José Serra, the candidate of the PSDB supported by Fernando Henrique Cardoso.

A social liberal government

The victory of Lula in the elections of 2002 provoked an immense hope of change among the poor and the oppressed in Brazil. However, five years later the balance sheet was globally negative; rather than a big change there was continuity with the previous economic policies. Certainly, not everything in Lula’s period of office was negative: by the programme “Zero Hunger” and other social programmes, billions of dollars were distributed to the poorest, in various forms of aid (food aid, scholarships and so on). But in terms of neoliberal macroeconomic policies, he did not emerge from the framework established by his predecessors. The symbol of this continuity was the president of the all powerful Central Bank, which determines the country’s interest rates and monetary policy; Henrique Meirelles, a senator from Cardoso’s PSDB party and former director of the Boston Bank. Trusted by international financial capital, he enjoyed the unfailing support of the president, who imposed a “provisional measure” giving him the status of Minister and thus immunity certain judicial investigations for financial irregularities.

This neoliberal orthodoxy was reflected in practice by subordination to the demands of the IMF, the establishment of a huge tax surplus allowing payment of the external and internal debt, high interest rates to attract investment, neoliberal pensions reform, massive subsides of export oriented agro-business rather than family agriculture, the opening of the country to Monsanto GMOs. Without speaking of various corruption scandals involving members of the government and the leaders or deputies of the PT.

We can define the policy of Lula and his government as social liberal. Social liberalism is not identical to neoliberalism as such: it maintains certain social concerns, attempts to improve a little the fate of the poorest and it prefers dialogue with the social movements — or to co-opt them — rather than to repress them. But on the essential bases of economic policy, there is no substantial difference. And on certain questions — pensions for example — it was capable of imposing neoliberal policies that the right had not succeeded in pushing through because of PT opposition! One example illustrates the logic of social liberalism: 10 % of the budget for agricultural aid was distributed to millions of families involved in small peasant production — responsible for most of the country’s food cultivation — while 90 % went to a handful of big proprietors in capitalist agro-business, producing for export.

In 2003, three deputies and the senator Heloísa Helena were expelled from the PT for voting against the neoliberal pensions reform. They then formed a new Party, the P-SOL, Party of Socialism and Liberty, which identified with the PT’s original socialist and democratic programme. It received support from groups of Trotskyist origin, Christian socialist activists (like Plinio de Arruda Sampaio, one of the best known Christian intellectuals in the country, author of an agrarian reform

programme supported by the movement of the landless), and a number of well known trades unionists and left intellectuals, like Carlos Nelson Coutinho, Leandro Konder, Chico de Oliveira and Ricardo Antunes.

The PSOL activists mostly originated from left PT currents, but most of the supporters of these tendencies — notably the great majority of the "Socialist Democracy" current — remained in the PT and in government. They were up to a point critical of Lula's neoliberal policies, but remained prisoners of governmental solidarity.

To say that the Lula government is social-liberal means also that it did not remedy the "social fracture", the gigantic gap which separates the oligarchy from the masses in Brazil. The president and most of the ministers, whether from the PT or the other parties of the majority coalition, shared the conviction that there is no alternative economic policy to the neoliberal status quo, the "Washington Consensus".

Certainly at the beginning some ministers or higher civil servants had followed a more autonomous orientation based on national development, the internal market, the defence of Brazilian industry; however the main representative of this "developmentist" tendency, Carlos Lessa, director the important National Bank for Social and Economic Development (BNDES), was forced to resign.

Criticism by Frei Betto

Among those who left the government was the liberation theologian Frei Betto, who was one of the leaders of the Zero Hunger programme. He has drawn a lucid balance sheet of his experience and the government itself in his book "A mosca azul. Reflexâo sobre o poder" (Editora Rocco, Rio de Janeiro 2006).

A Dominican priest who was imprisoned for five years (1969-1974) under the military dictatorship for having aided revolutionary militants to hide, and a personal friend of Lula since the late 1970s, Frei Betto was a faithful "fellow traveller" of the PT, ironically stating that he did not join it because he did not want the parties to reproduce the vices of the churches. During its early years, he says the PT had an ideological coherence and ethical principles, as well as a strategic objective: the workers to power, the construction of socialism. Imperceptibly, through the 1990s, these original colours lost their shine and the PT became distanced both from the social movements and its initial objectives, privileging instead the positions of institutional power. Betto attributes this change in grand part to the fall of the Berlin wall, which obscured the utopian horizon of the PT and its socialist perspective. This is the only argument in the book which strikes me as debatable: in fact most PT cadres, in various ways, did not have the countries of so called "actually existing socialism" as their central ideological reference point. And in 1990, one year after the fall of the wall the PT Congress approved a document reaffirming in a more categorical form the anti-capitalist and socialist commitment of the Party.

In any case, Frei Betto was greatly enthused by Lula's victory in the 2002 elections, and agreed to be one of the leaders of the "Zero Hunger" programme. Two years later he resigned, believing that the government had essentially become the hostage of the dominant élites and financial markets. Betto notes that while in the trade unions Lula had shown he could insert himself in an impure structure without being co-opted, he had not succeeded in doing so in government. Shortly after Betto's departure from government the scandal of hidden payments of the PT broke out : "a small leading nucleus of the PT had succeeded in a few years in doing what the right had not been able to do over several decades, even in the darkest years of the dictatorship: demoralising the left". But for Betto, worse still than the corruption was seeing the fear faced with the diktats of the financial

market vanquish hope.

What happened? The thirst for power and the adaptation to the religion of the market led to the loss of strategic perspective and the collapse of the historic horizon. Power ceased to be an instrument of social change and became — as predicted by Robert Michels in his classic study on mass parties — an end in itself. As Betto observes “Politics becomes hateful when it loses the utopian horizon”.

Lula mark 2 and Dilma Roussef

What happened in the 2006 presidential elections? Popular disappointment prevented Lula from being elected in the first round. In the second round he steered his discourse to the left, denouncing his opponent’s privatisation plans. . He was comfortably re-elected at the second round, with around 61 % of the vote against 39 % for the candidate of the right wing coalition (PSDB-PFL), Geraldo Alckmin. Rather than popular enthusiasm, Lula’s success resulted from the fear aroused by Alckmin, a representative of the hard neoliberal right, close to Opus Dei) known for his pro US positions, his repressive policy of criminalisation of social movements and his support for a policy of privatisation of public enterprises .

The candidate for the PSOL, Heloísa Helena (linked to the Fourth International) supported by a left coalition including the Brazilian Communist Party and the Trotskyist PSTU, received just under 7 % of the vote (more than six million votes) at the 2006 elections and the party elected three deputies to the federal parliament. A limited but not insignificant result. The PSOL refused to take a position in the second round, but some of its leaders called for a vote for Lula to block Alckmin. A critical vote for Lula was also the position of the MST, despite its deep disappointment with this government, which has not kept its promise to carry out real agrarian reform.

Lula’s second term was no different from the first. A single solution was proposed to Brazil’s social problems: the growth of GDP. Thus a Growth Pact was approved, with the objective of reviving production through state aid. Among the left and centre left governments of Latin America, Lula was closest to the most moderate, like Tabaré Vazquez in Uruguay and Michèle Bachelet in Chile, rather than the anti-imperialist pole represented by Hugo Chavez (Venezuela), Evo Morales (Bolivia) or Rafael Correa (Ecuador) — even if he refused, unlike the Chilean president, to sign a Free Trade Agreement with the USA. There was however a certain rapprochement with the Bush government around the project of replacing oil by “biofuels”: ethanol, produced from cane alcohol. It was a dangerous project, replacing the cultivation of food products by that of sugar cane, with disastrous consequences for the food supply of the popular layers.

During this new government — where ministers form right or centre parties occupied a still more determinant place than before — there was a still greater distancing from the social movements. Not only the radical left (PSOL, PSTU) and the MST, but also the trade union left and other social movements protested against the government’s policies.

One of the great limits of ten years of the Lula government has been the absence of a real agrarian reform, a central question for the future of Brazilian society. According to the MST, the Lula government which had committed itself to distributing land to 450,000 peasant families has only done so for 150,000. Millions of landless rural workers await a real reform which attacks the insolent privileges of the rural capitalist oligarchy, in increasingly precarious social conditions.

Forbidden by the Constitution from seeking a third term, Lula chose as his dauphin Dilma Roussef, who became in 2011 the PT presidential candidate. Active in the armed resistance to the dictatorship — she organised some bank expropriations – she was arrested, tortured and imprisoned

for three years. After her release, she became an effective and pragmatic “left technocrat”, first joining the Democratic Labour Party of Leonel Brizola, and then joining the PT in 2000. Elected in the second round against Alckmin, she then succeeded Lula. The PSOL presented as candidate Plinio de Arruda Sampaio, who waged a good campaign but only gained 1% of the vote.

The policy of the Dilma government— shaken by several corruption scandals concerning various ministers, notably from the centre right PMDB, who have had to resign — has hardly been different from that of its predecessor. The social programmes are maintained and even strengthened, but the general orientation remains that of the Washington Consensus”. Some control over capital flows has been established and the situation of the economy has stabilised. The demands of the landless for debt forgiveness have been totally rejected. The most disappointing aspect is probably the ecological balance sheet: a law on forests which favours impunity for the destroyers of Amazonia; and the decision to build the hydro-electric dam at Belo Monte, leading to the expulsion of the inhabitants and the destruction of a vast wooded area. The movements in defence of human rights have obtained a concession, in the form of the Truth Commission, which has presented a report on the crimes of the dictatorship, but without punishment of those responsible, covered by the military auto-amnesty of 1979.

As in previous years, only the mobilisation “from below” of the workers, landless and homeless, youth and women, environmentalists and indigenous peoples, can change the relationship of social and political forces.

Michael Löwy

P.S.

* From http://www.internationalviewpoint.org/

* Michael Löwy, a philosopher and sociologist of Brazilian origin, is a member of the New Anti-capitalist Party in France and of the Fourth International. A Fellow of the IIRE in Amsterdam and former research director of the French National Council for Scientific Research (CNRS), he has written many books, including The Marxism of Che Guevara, Marxism and Liberation Theology, Fatherland or Mother Earth? and The War of Gods: Religion and Politics in Latin America. He is joint author (with Joel Kovel) of the International Ecosocialist Manifesto. He was also one of the organizers of the first International Ecosocialist Meeting, in Paris, in 2007.