

The Rise of Right-Wing Extremism in Brazil

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The starting point of this text is the 2016 coup d'état, which removed Dilma Rousseff from the Presidency of the Republic and increased the political space for the rise of the extreme right in Brazil. Thus, we analyze the Michel Temer government and the series of measures adopted to satisfy the most immediate interests of the bourgeoisie, which deepened austerity policies and the dismantling of the state apparatus. We continue with the rise of Bolsonaro, who represented not only a shock to the fragile Brazilian bourgeois democracy but also a president identified with the extreme right. His policies intended to deepen the neoliberal reforms in all aspects of economic and social life and acted in a decisive way to destroy the progress Brazil had made in the field of diversity and inclusion, among others. To this end, he has assembled a team of never before-seen extreme right-wingers..

Keywords: economic policy, Temer government, austerity, Bolsonaro government, neoliberalism

INTRODUCTION

In the last half century, after the end of the military dictatorship, Brazil did not go through a real process of development capable of guaranteeing an improvement in the living, working and welfare conditions of the working class. Many of the advances approved in the 1988 Constitution, which should give Brazilians a minimum condition of citizenship and civility, were never achieved. Some of the achievements obtained by the entire population, which were introduced in legislation and citizenship rights, were systematically attacked by the economic terrorism spread, through the mass media, by the organic intellectuals of capital using false or erroneous information.

One of the main criticisms was incompetence, inefficiency, over-taxation and corruption at the different government levels and institutions. In this way, the message got the majority of the population to support the implementation of the economic and social policy measures proposed by the neo-liberal project and the Washington Consensus. Thus, a process of destruction of the so-called developmental State was experienced, particularly since the government of Fernando Henrique Cardoso (FHC). FHC's government, in fact, began before he was elected President of the Republic, when he was involved, as Minister of Finance, in the implementation of the Real Plan, initiated in February 1994 and whose main cornerstones were the recommendations of the Washington Consensus (Marques & Nakatani, 2013). Although inflation was brought under control, international financial fragility increased during this period.

In fact, in 1998 a brutal debt crisis broke out and, subsequently, of the entire Real Plan, due to Brazil's dependent insertion in the international division of labor and the process of financialization. The solution to this exchange rate crisis was solved with the help of the International Monetary Fund, which granted a loan of US\$ 41 million and a brutal increase in the interest rate. This aid required, in return, a change in the economic policy of the Real Plan and the introduction of a macroeconomic tripod consisting of the inflation target regime, primary surplus targets and a floating exchange rate. These are the foundations of macroeconomic policy to date, and determine the austerity policies that privilege the circulation and remuneration of interest-bearing capital.

Although these policies led the country to a period of rebound and an attempt at a new developmentalism, it was crushed by neo-liberalism and financialization. In this way, the progress obtained between the end of the 20th century and the beginning of the 21st century was and continues to be systematically destroyed by the new neoliberal projects that are receiving, in the new government, the ultraliberal contributions of some of the most important government officials.

In this context, it is important to analyze the 2016 coup and the sense of the arrival of the ultra-right to the presidency of the Republic in 2018.

THE COUP AND THE RISE OF THE RIGHT

The Coup and the Beginning of the Shift to the Right

Dilma was elected for a second term with a difference of only 3.36% in the runoff against Aécio Neves, candidate of the Brazilian Social Democracy Party (PSDB). It was the smallest difference of all the elections held since the redemocratization of the country. After the result was announced, there were several initiatives with the objective of annulling the result of the elections and removing the president from office. After several lawsuits were rejected by the Supreme Electoral Court, the Chamber of Deputies was bombarded with 50 petitions for *impeachment* of the president. Of this number, 39 were filed because they did not meet the formal requirements.

Out of the remaining 11, the then president of the Chamber, Eduardo Cunha¹, accepted a petition based on a tax offense. Approved by both the Chamber and Senate Special Commissions (April and May 2016, respectively), Dilma was removed for 180 days, with her vice-president, Michel Temer, taking office. The end of the process concluded on August 31, 2016 with the annulment of Dilma's mandate. Although several explanations of votes in favor of *impeachment* called attention, the most striking statement was that of the current president, Jair Bolsonaro, who dedicated his vote to Colonel Carlos Ustra, former head of the state repressive body of the dictatorship, the Internal Defense Operations Center, and one of Dilma's torturers.

All these stages were supported by large right-wing demonstrations, especially in the big cities. These demonstrations were mainly organized by middle class people, encouraged by the mass media. They formed a tribune to express hatred for the Workers' Party (PT), defend conservative positions in the area of customs and demand freedom for the acquisition and possession of weapons by the population, among other demands. Beyond this, the most diverse actions were carried out to promote *impeachment*. A telephone conversation between Dilma and Lula was even disclosed, leaked to the media by the head of the Lava Jato operation, then Judge Sergio Moro - who would later assume the Ministry of Justice in Bolsonaro's government.

Finally, this removal was justified by the *practice of fiscal delays*, i.e., postponing the transfer of resources from the National Treasury to the state banks responsible for the payment of public funds. These practices, however, had been used in both the FHC and Lula governments without generating similar petitions.

Although the open political crisis paralyzed Dilma's initiatives from the outset, it did not prevent her from adopting austerity measures, such as containing public spending, increasing the benchmark interest rate (SELIC) and raising prices administered by the State, such as those of fuel, electricity and gas. The austerity measures, the uncertain environment and worsening external conditions for the export of Brazilian products led, at the end of 2015, to a 3.5% decline in GDP and average annual unemployment reaching 8.5%. The austerity measures were considered by left-wing sectors as a real electoral fraud.

The Temer Government and the Deepening of Austerity Policies

Since Temer (from the Brazilian Democratic Movement Party - PMDB, today MDB) assumed the presidency of the republic, public indebtedness has become central in the definition of economic policy. In December 2016, just six months after the executive sent the draft constitutional amendment, the new tax system was approved, freezing federal government spending for twenty years (Brazil, EC 95). Thus, the total government budget can only grow at the inflation rate. It is remarkable that interest on public debt was excluded from this freeze, while social spending was subject to it (Marques & Andrade, 2016).

The defense of the *zero budget* that froze spending was already explicit in the document *Bridge to the Future*, released by the PMDB on 10/29/2015. Among other measures, a *real budget* (sic) was advocated, i.e., set at zero, for which the resources allocated to health and education had to be separated, in addition to de-indexing the minimum pension (pension reform) and welfare benefits with respect to the minimum wage. The *Bridge to the Future* had as a priority the payment of public debt services, but also the reduction of the State and the opening of new opportunities for the private sector.

The Temer government will be remembered for approving a broad labor reform fully in line with the reproduction of globalized and financialized capitalism. This reform amended 117 articles and 200 provisions of the Consolidation of Labor Laws. Its objective was to provide greater security on the total cost of the labor force², mainly for foreign capital interested in participating in the privatization process. Among other changes, the prevalence of the negotiated over the legislated and the introduction of so-called intermittent work stand out (Marques & Ugino, 2017).

Meanwhile, Lula was arrested on April 7, 2018, in spite of the statements of acclaimed jurists in Brazil and in the world, who denounce the arbitrariness committed by the team of prosecutors responsible for the so-called Operation Lava-Jato and by Judge Sergio Moro. Lula regained his freedom on November 8, 2019.

From 2015 to mid-2019 the country accumulated a GDP drop of 4.6%. In July 2019, the unemployment rate reached 12%, two and a half times the proportion of 2014, which shows the tragedy experienced by Brazilian workers. In addition, changes in labor legislation have led to an increase in precarious and informal labor.

In 2018, the level of public and private investment was the lowest in 50 years (15.5% of GDP). In 2019, its level will be even lower, particularly due to cuts in public investment in Education and Environment, which will simply be paralyzed. In Education, apart from the cancellation of scholarships, research has become unfeasible and there are no resources even for cleaning and security tasks in the universities. Foreign investment outflows during the first eight months of 2019 were the highest in 23 years. This produced a foreign exchange run against the real, which induced the Central Bank to initiate a new intervention policy in the foreign exchange market (BCB, 2019, p. 7).

THE 2018 ELECTIONS AND THE DEEPENING OF FINANCIAL DOMINANCE.

The Advance of the Right-Wing Extremism

The 2018 presidential elections were polarized between Bolsonaro, of the Social Liberal Party (PSL), and Fernando Haddad, of the PT. Bolsonaro was elected in the runoff with 55.13% of the valid votes. Considered an *outsider* in the upper echelons of the ruling classes, and until then a federal deputy and former army captain, Bolsonaro focused his campaign on social networks and did not participate in any public debate with other candidates. It particularly benefited from the avalanche of *fake news* sent from robotized accounts financed by big businessmen, who directed their attacks, in the field of morality and traditional customs, against the PT governments and its candidate. Bolsonaro extolled the dictatorship and the use of torture as a legitimate way to fight communism, which, according to him, had conquered the country under the governments of Lula and Dilma. In the runoff, all parties and public figures associated with the ruling classes made clear their opposition to the PT candidate.

Bolsonaro established his government without negotiating with the rest of the traditional right-wing parties. It can be argued that there was a rupture in relation to the way of governing that was established after the end of the military dictatorship, since up to that time it had been governed with the support of a coalition in which the interests of the ruling classes were represented in one way or another, even during

Lula's and Dilma's governments. This does not mean, however, that the measures taken by the Bolsonaro government do not express the wishes of these classes, particularly of big finance capital. The break with the *tradition* of coalition presidentialism is one of the new government's characteristics.

Another is the fact that it is the civilian government with the most military members in the cabinet and positions of importance - including the vice-president, General Hamilton Mourão. Also noteworthy as a novelty is the weight of leaders linked to the evangelical church, including the president himself.

The third characteristic is the presence of ministers who clearly position themselves against science, against the right to sexual diversity, against human rights and against the defense of indigenous peoples' lands (Ministry of Foreign Affairs, Ministry of the Environment and Ministry of Women, Family and Human Rights). The president himself, on several opportunities, expressed similar positions. It should be noted that many of these positions represent values and ideas rooted in Brazilian society.

The fact that the PT governments, despite all their contradictions and their collaboration policy with the ruling classes, have attempted even a hint of democratization of the country, contributing to the advancement of rights, to the decrease of poverty and inequality, and to the recognition of gender diversity, made the PT the uncontested enemy. This was one of the factors that facilitated Bolsonaro's rise (Marques, 2019).

Rhetoric, Institutional Changes, and the New State

Regarding the economy, there was continuity with the Temer government: all the country's problems were attributed to the State's size. In order to face them, the government continued with the cost containment defined in EC 95, so as not to incur in a primary deficit, which implied reducing the presence of the State in different areas, mainly in the social ones, and privatizing as much as possible. This position is defended in particular by the Minister of Economy, Paulo Guedes, an ultra-liberal trained at the University of Chicago. However, the government's economic performance has been poor. Low GDP growth led to a drop in tax revenues, which has been met with further cuts in public spending.

The Ministry of Education has been one of the hardest hit. By August 2019, all federal public universities cut expenses for cleaning, security, light, scholarships and research grants. By September, the Coordination for the Strengthening of Higher Education Personnel (Capes) had cancelled 11,800 master's and doctoral scholarships. On the other hand, with the *Future-se* project, the Ministry of Education proposed that universities and research institutions obtain *greater financial autonomy* through the acquisition of their own resources. In addition, the president violated the historic agreement in the selection of university presidents, ignoring the priorities established by the educational communities.

Bolsonaro's actions have gone even further, attempting to militarize basic education, considering this the appropriate response to deal with indiscipline and improve learning. This type of experience is not new in the country, but never before had a President of the Republic assumed this type of generalization to the national territory. Only a shortage of resources has prevented its implementation from being accelerated.

In connection with privatizations of state-owned companies, Bolsonaro announced on 08/21/19 a program to sell nine state-owned companies. The management of the privatization process would be the responsibility of the BNDES, which would thereby change from being a development bank to a simple administrator of the sale of the national patrimony. In order for this program to succeed, the approval of the National Congress is required, which has not yet taken place.

Bolsonaro also reached for a reform of the public retirement system. According to the new rules, the age criterion for access to retirement is introduced, increasing the number of years of contribution required to receive the full value of benefits, among other changes.

His behavior in the presidency removed many allies and supporters, including some very close ones who helped him in the presidential campaign, and he replaced several ministers. The number of generals who were fired in these two years is amazing. The newspaper *Folha de S. Paulo* "identified 16 Army generals, 4 Air Force brigadiers and 1 exonerated Navy admiral" (FSP, 2020). Among them, several advisors who worked directly with the president at the Planalto Palace, some with ministerial positions.

Apparently, part of the president's postures is due to the investigations of Flávio Bolsonaro's assistant, Fabrício Queiroz, which began in December 2018 and may reach the president himself. The investigations

found, in addition to thousands of suspicious transactions, deposits in the president's wife's account, by Queiroz and his wife, for the amount of R\$ 89 thousand. Despite being investigated by Queiroz, Flávio Bolsonaro managed to delay the process through dozens of appeals at higher levels. On 11/03/2020, a lawsuit was filed against Flávio Bolsonaro, Queiroz and 15 other individuals, for fraud, money laundering and criminal organization. However, a few days later, Minister João Otávio de Noronha, of the High Court of Justice, requested hearings on the process, suspending its continuation.

On 10/31/2020, the president of the Chamber of Deputies, Rodrigo Maia, had already received more than 50 requests for Bolsonaro's impeachment, for various reasons, including liability offenses, and did not follow up on any of them. Apparently, Brazilian elites continue to support the president, even if they say otherwise in public, that he must comply with the entire mandate.

CONCLUDING REMARKS

The recent history of the class struggle in Brazil shows the complexity of the historical processes of development of societies with their idiosyncrasies and particularities. After the military dictatorship, the political spectrum dividing right-wing and left-wing politicians was minimized. The violent political, police and military repression and censorship during the military dictatorship was characterized precisely because it was a right-wing policy. Thus, after the end of the dictatorship, most politicians, intellectuals and people in general avoided, or even feared, being classified as right-wing. During the Lula administration, particularly with the policy of class conciliation, this dichotomy was greatly minimized and many politicians preferred to appear as left-wing.

During this period, extreme right-wing politicians, groups and institutions chose to avoid public exposure, remaining relatively forgotten or removed from the mainstream media. This is not to say that business bodies and institutions did not support, encourage and finance these individuals, groups and institutions. During this period, different organizational forms were created and expanded, such as the Mises Brazil Institute and the Millenium Institute, extreme right-wing ultra-liberals, for example. All financed by business groups and with very close ties and resources to U.S. groups and institutions and even intelligence agencies. Thus, groups of young organic right-wing extremist intellectuals were formed and grew, which successfully contested, with much success, the 2018 elections. This does not mean that all these young and new politicians are in total agreement with the nonsense of the current president, his sons and several of his ministers.

The year 2013, in the wake of mobilizations demanding the reduction of bus fares, specifically marked the large-scale return of the right-wing and the right-wing extremism in Brazil. The class struggle, which seemed to have been forgotten or hidden, reappeared on the main stage. In the 2018 elections these new representatives, right-wing and extreme right-wing deputies and senators, to the National Congress contributed to the solid victory of the PSL representatives of the President of the Republic. In the judicial system, there has been a due repositioning of judges, prosecutors, attorneys and even Federal Supreme Court Justices, who were supposed to be objective or non-partisan. In this way, the Brazilian State presented itself, in its entirety, as the State of capital, which constitutes the challenge that the left must face in the near future.

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ENDNOTES

1. That same day Cunha had lost the support of the PT votes in the Chamber's Ethics Committee.
2. Although Brazilian wages have always been among the lowest in the world, compensation for court rulings in favor of the worker was high and uncertain.

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