

# Collapsed Progressivism in Iberian America, Brazil's case

How social democracy in Europe is leaving a perfect situation for ultraconservative and quasi fascist governments

Alejandro Teitelbaum

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*The electoral triumph of the far right in Brazil is due to multiple factors; yet the main factor, as the fundamental and priority task, is the failure of petismo (Workers Party), to transform the economic, political and social structures of the country. A failure attributable —as we will see in detail— to the fact that it never aimed at such a transformation, but, on the contrary, contributed to its strengthening and consolidation. This is how the gap between the poorest and the richest continued to increase: the richest continued to enrich themselves and the poorest continued to impoverish themselves. Even the publicised anti-poverty and indigence programs were a drop in the ocean of pauperism and destitution that persists in Brazil.*

Other factors are the lack of class consciousness among the popular majorities that they failed to acquire due to the synergistic effects of their living conditions and the influence of social-democratic and "progressive" ideologies. And, incidentally, the unchallenged power of the dominant classes that contributed to the electoral result, which has used all the resources always at its disposal —media, judicial, political, economic, ideological, etc.— to ensure the continuity of the system, including in its most aberrant forms. Those who lament this use ignore —or pretend to ignore— that it is not circumstantial, but inherent to the dominant system, which includes pure and harsh violence when the system deems it necessary for its preservation.

Corruption has also exerted its weight, because regardless of the veracity of the accusations against Lula da Silva, corruption enjoyed total impunity during the PT (Workers' Party) governments and contaminated all the powers of the State and all or almost all the political parties. Dilma Rousseff was not dismissed because of corruption but for violating tax regulations, masking the budget deficit; a reason more than debatable to dismiss her, especially with

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the vote of parliamentarians who, for a good part, were notoriously corrupt, including Temer, who succeeded her in the Presidency. The issue of public sense of safety also influenced the decision of the voters, in a country where crime increases as a result, among others, of the increase —without any prospects for a solution— of unemployment and poverty.

I. When Lula assumed the presidency of Brazil for the first time on January 1, 2003, with 62% of the votes in his favour, he surprised and alarmed his supporters by naming Henrique de Campos Meirelles, president of the Central Bank of Brazil. Campos had worked in the financial sector for 30 years, becoming the International President of the Bank of Boston in the United States, that is, a core member of transnational financial capital. In 2012 Meirelles returned to the private sector and when Dilma Rousseff was dismissed by the corrupt majority of Parliament, Temer, the new President, also notoriously corrupt, appointed Meirelles his Minister of Finance; a clear symbol of the continuity of the system in its different variants. Although symbols may have some importance, in order to make a political assessment it is better to know the reality of economic and social facts and to reference them to avoid making assessments laden with subjectivity.

II. As is well known, during the governments of Lula da Silva and Dilma Rousseff, the social assistance programs "Bolsa Família" (PFM), "Zero Hunger" and others were applied and there was also a considerable increase in minimum wages. With these programs, the number of people living in Brazil below the poverty line decreased from 77 million in 2003 (44 million poor and 33 million indigent) to 53 million (34 million poor and 19 million indigent) in 2008. The cost of the Bolsa Família Program was 12.000 million reais (about 2.600 million euros) in 2008 and benefited 11 million families, especially in the economically backward and poorer regions of the country. It is a money transfer program. It was created in October 2003 to benefit families living in poverty and extreme poverty; that is, all families with a per capita monthly income of up to 85 reais (USD 27) and families with a per capita income between 85,01 reais (USD 27) and 170 reais (USD 53) as long as they have children and adolescents from 0 to 17 years old in their household. In an academic work on the question it can be read:

*Assessment studies of the impact of the PBF show positive results on the income of the poor, the maintenance of children in school and lower rates of school dropouts. The results allow us to conclude that the short-term objective of the Program was addressed to the extent that: i) it reaches the poor, because the territorial distribution between benefits and poor families is linked, but with overrepresentation in the Northeast region and among urban beneficiaries; ii) it has a positive impact on the reduction of poverty and the degree of inequality in the distribution of per capita income of households; iii) the beneficiary families follow the national trend of increase in consumption of all food groups, but among the poorest beneficiary families, a greater relative consumption of cereals, rice and beans is identified; iv) among the beneficiaries, the decrease in the supply of work or the abandonment of work is not observed, except for 2 hours per week on average among mothers with small children; v) among children there is a greater frequency in school*

enrollment and less absence in school ... A recent study indicates that the PBF did not reduce the level of child malnutrition. It should be noted that the Program was not effective in reducing child labour, mainly because it did not affect the extension of the school day. The author of this study writes in the Conclusions:

*It should be noted that the distribution of labour income has to be analyzed with caution, since Brazil is still one of the countries with the highest concentration of income and social inequality on the planet. On the one hand, there were no structural changes in the distribution of income. That is, the distribution was motivated more by real increases in income in the lower strata than by income diffusion in the upper echelons of social strata. On the other hand, the maintenance of the functional concentration of income is high remuneration of the observed, mainly due to the financial sector since 1994 government. Sustaining a complementary the one built by the last and a continuous political articulation. The distributive strategy can lead to rejection, especially if economic growth occurs at insufficient rates to reduce public debt in relation to the Gross Domestic Product (GDP). The global economic crisis is not overcome, the relations between China and the United States are conflicting, a stumbling block of Brazilian exports and / or the interruption / delay of investments can undo the process of growth and restrict the development of redistributive policies.<sup>1</sup>*

*Sustaining a set of consistent, integrated and complementary redistributive policies, such as the one built by the last governments, demands capital and a continuous political articulation*

*concentration of income is high remuneration of the and the high tax burden of the set of consistent, integrated and redistributive policies, such as governments, demands capital*

According to more recent data, part of the Summary of Social Indicators 2017 study, prepared by the Brazilian Institute of Geography and Statistics (IBGE), based on a wide survey conducted in thousands of homes in 2016, some 52 million Brazilians live below the poverty line, of which 13,4 million are in a situation of indigence. The pace of poverty reduction slowed down considerably—rather it stagnated—in the 2008/2016 period compared to the 2003/2008 period: in the period 2003/8 the number of poor and indigent decreased by 24 million (from 77 million to 53 million). Whilst in 2008/16 the number of people living below the poverty and indigence line decreased by one million: from 53 to 52 million, albeit, within that figure, the number of indigents decreased by 5,6 million.

In 2018 there was an increase in the amount of the Bolsa Familia of 5,67%, which amount currently varies from a basis of 85 reais (20 euros, 8% of the minimum wage) to a maximum of 390 reais (about 88 euros, one third of the minimum wage), according to the composition of the family and the schooling of the children (See [tabela dos novos bolsa familia](#)). This is enough for the poorest families to consume a little more of the basic food, such as rice and beans. Keep in mind that the basic food basket has a cost of around 400 reais. Regarding the minimum interprofessional wage (SMI), which when Lula da Silva assumed power in 2003 was 230 reais equivalent to 62 euros, it rose rapidly until reaching 622 reais in 2012, equivalent then to 257 euros. From that year onwards it decreased slightly, being its worst years 2014 (222 euros), a year before the dismissal of Dilma Rousseff, 2016 (204 euros, about 900 reais), with Michel Temer in government, and 954 reais in 2018. In this last year the basic family basket is estimated at 1400 reais. That is, the minimum wage covers only 70% of the basic basket ([see macro data here](#)).

The cost of the basic basket varies according to the cities and regions. In mid-2018, the highest basic family food basket was that of Rio de Janeiro, estimated at (R \$ 446,03), followed by Florianópolis (R \$ 441,62), São Paulo (R \$ 441,16) and

<sup>1</sup> (Brasil, un caso reciente de crecimiento económico con distribución de renta, Cacciamali, María Cristina (Universidad de Sao Paulo, Brasil. Revista de Estudios Empresariales. Segunda época. Número: 1 (2011). Páginas: 46 - 64).

Porto Alegre (R \$ 437,73). The lowest costs were recorded in Salvador (R \$ 327,56) and Recife (R \$ 336,36). (See: [basic basket cost here](#)). Another source indicates that in 2017, on a list of 16 countries in Iberian America and the Caribbean, relative to the relationship between the minimum wage and the basic family basket, Brazil ranks tenth. A minimum wage can buy 90% of a basic family basket, because the minimum wage in dollars was \$283 in 2017 and the same year the cost of the basic family basket was \$314 (see [minimum wages in Iberian America here](#)). Almost 45 million people in Brazil, little more than half of the working mass, receive the minimum wage.

Poverty is measured in relation to the cost of the basic family and individual baskets; inequality with the distribution of income. There is no linear relationship between the two. This is how there are poor countries that are very unequal or less unequal, there are countries with middle and low incomes, such as Brazil, or high-income countries, such as the United States, with high levels of inequality.

When measuring inequality with the Gini coefficient (0 = perfect equality, 100 = maximum inequality), Brazil is among the six most unequal countries in Iberian America: Honduras 53.7; Colombia 53.5; Brazil 52.9; Guatemala 52.4; Panama 51.7; Chile 50.5. In comparison, Norway, which is one of the most egalitarian countries, has a Gini coefficient of 25.9 and the most unequal, South Africa, a coefficient of 63.4. Brazil, which prior to the Petista governments had a Gini coefficient similar to the current one in South Africa, is nevertheless now much closer to South Africa than to Norway. Furthermore, inequality between the highest and the lowest salaries in Brazil is among the highest in the world, according to the ILO World Wage Report 2016/2017 (see page 45 of the Report: Table 2, Different measures of inequality in selected developing countries, 2010 Cumulative wage distribution, Proportion between deciles).

In other words, with the minimum wage and social plans, one third of Brazil's population barely gets enough to eat and remains almost totally excluded from other goods and services, such as adequate housing, health, full schooling, clothing, entertainments, etc. which, in addition to food, are part of the so-called basic family basket.

Meanwhile, the richest and the upper classes continued to enrich themselves: in 2006, the richest 5% accounted for 40% of total income and in 2012 this share increased to 44%. According to Forbes, of the ten largest personal fortunes in Iberian America, five belong to Brazilians, the lowest is 6.200 million dollars and the highest is 27.000 million. The five totalise a heritage of 75 billion dollars (see [ten richest people here](#)). Other [America here](#) indicate that there are 659 billionaires in of more than 50 million dollars, more than 500 million. Roughly, 600 Brazilian billionaires more than 100 billion dollars, vis-à-vis the Bolsa Familia program of 2008 that benefited 11 million families and meant an investment of about 3 billion dollars. That is to say something like it is tantamount to 2.5% of the patrimony of the 659 great Brazilian billionaires. But the Bolsa Familia was financed with public funds and incurring debts with the World Bank, not with a tax on big fortunes.

*Roughly, an estimate of just over 600 Brazilian billionaires accumulate a fortune of more than 100 billion dollars, vis-à-vis the Bolsa Familia program of 2008 that benefited 11 million families and meant an investment of about 3 billion dollars.*

So although the statistical data vary according to the approaches and methods used by their authors, the general trend that emerges from them is the same: the gap between the richest and the poorest continued to deepen with the PT governments and in the last years of the presidency of Dilma Rousseff, the poor became impoverished even more, among other reasons, because of inflation and the increase in unemployment. To see clearly why, we must study in this

period not only the circumstantial elements indicated so far, but the structural elements, in terms of industry, services, the agricultural sector and finance; elements that analysts and other opinion makers, including the progressives and those on the left, generally do not study.

III. A report from the Institute of Economics of the Federal University of Rio de Janeiro, published at the beginning of 2002 (according to a summary published in the Folha de San Pablo newspaper of February 10, 2002, page B1) indicated that:

*The denationalisation of Brazilian industry took a leap forward in the 1990s. Foreign capital, accounting for 36% of the turnover of the 350 largest groups in the country in 1991, grew to 53.5% at the end of 1999. The share of foreign investment in the revenue of the largest companies in the country increased 146% between 1991 and 1999. Foreign investment helped to make Brazilian companies more efficient, but it did not help the country to expand its domestic market or increase its participation in foreign markets. According to the same report —the Folha de San Pablo article goes on— foreign capital increased in the services sector. Foreign investment, rather than expanding productive capacity, replaced national investment, helped to increase the external deficit and did not contribute to making the country a major exporter of manufactured products. (Quoted in note 9, page 22 of our book “La armadura del capitalismo”, Editorial Icaria, Spain, 2010).*

Brazil is the eighth largest economy in the world. After almost a decade of strong growth (2002-2013), Brazil suffered the worst recession in its history in 2015 (-3.8% of GDP) and 2016 (-3.6%). This economic crisis was due to the fall in prices of raw materials and a fall in consumption and investment. In 2017, the economy recovered and GDP was 0.7%, based on the increase of agricultural exports. Despite having an important (declining) industrial sector, mostly of foreign capital, the bulk of Brazil's exports consists of agricultural products and primary extractive industries. The tertiary sector represents more than 73% of GDP and employs three-quarters of the active population, from non-skilled to highly skilled jobs, with very unequal salaries and where temporary contracts proliferate.

Brazil's economy is heading for its deepest recession in many years as economic activity weakens. The main drivers of the Brazilian crisis have been the fall in prices of raw materials, which have lost more than 50 percent of their value since 2011 as a result of the slowdown in demand from China. Equally important are the strengthening of the dollar in world markets, which threatens the trade balances of the rest of the countries; the devaluation of the yuan, the main currency of China's exports and, of course, the internal political crisis in Brazil. As a result, the world's eighth economy faces double-digit inflation, rising unemployment and a drop in domestic demand that hits all sectors.

The unstoppable fall in prices and the value of exports has led to a depreciation of the “Real” of 60 percent. This forced the Central Bank to raise the interest rate to 14,25 percent which reached double digits at high interest rates have been the main cause in the consumption, accelerating in contraction. Also, while

*As usual, high interest rates have generated succulent profits for the financial sector while reducing the income of Brazilians due to high borrowing costs. This has been the main cause in the drop in domestic consumption, accelerating in turn the process of economic contraction*

Brazil's public debt reaches 66 percent of GDP and is comparatively far from Greece's public debt (180 percent of GDP)

or Japan's (230 percent of GDP), it is the high interest that Brazil pays that submerges its rather somber depression ([see Brazil is facing its worse recession in 115 years](#)).

The report of the United Nations Conference on Trade and Development, UNCTAD, of 2016, indicated that Brazilian industry, which had experienced strong development, was already declining for a number of years. At the beginning of the 1970s the share of manufacturing in the generation of employment and added value in Brazil corresponded to 27.4%, while in 2014 that share was down to 10.9%. The set of factors that contributed to this trend was observed throughout Iberian America, but Brazil, due to its size and importance, is the most significant case of premature industrial dismantling. *The whole system that aimed to industrialise the country collapsed*, Alfredo Calcagno, head of the department of Macroeconomics and Development Policy of UNCTAD, told BBC Brazil. In UNCTAD's assessment and in the assessments of those interviewed for the report, the process started with the economic shocks experienced by the national market in the 1980s, intensified with the commercial opening in the early 1990s, followed with the abandonment of developmental policies and further benefited from using the unemployment rate as a tool to combat inflation. Subsequently, deindustrialisation was favoured by the liberalising reforms of the International Monetary Fund and the World Bank and, more recently, by the export pattern focused on "commodities".

*The road to industrialisation in Brazil was clearly interrupted*, Paulo Francini, director of the FIESP (Federation of Industries of the State of São Paulo), told BBC Brazil. Deindustrialisation is considered premature by UNCTAD when an economy fails to reach its full manufacturing productive potential and, instead of evolving towards the service industry with high added value —tertiary sector—, retreats to agriculture or falls into informality. Brazil always had a strong agricultural production (primary sector), whose wealth, from the 1930s, was channeled to encourage the development of a national industry (secondary sector) through state plans. For many economists, the process of reaching a fully-fledged mature state in a country's economy, moving from the primary to the tertiary sector, passes necessarily through the stage of industrial development, which would allow the accumulation of capital and productive knowledge necessary to sustain the transition to more productive jobs with greater intellectual sophistication (see: [Brazil, early deindustrialization here](#)).

IV. The agrarian question. On 2 July 2003, the MST (Landless Movement) sent a letter to Lula containing a proposal for agrarian reform. This included the settlement of one million landless peasants in the period from 2003 to 2006, with a program of special credits for agrarian reform, linking the agrarian reform to a massive program of education in the countryside, intensifying eradication of illiteracy in establishments, calling financial resources to the for that purpose, and training program that young people and adults establishments and for the need to fight murders committed in project of a constitutional the competence to investigate and prosecute the crimes against human rights); and to work out the investigation against the "fazendeiros" that use armed militias, incite violence and crime and maintain links with drug traffickers and arms

*The proposal of the MST oppose the authorisation to sow and commercialise transgenic products, in favour of a new agricultural model for the generation of work, the production of food for the domestic market, for food sovereignty and, in general, to hold life in the countryside in high esteem. In response, in September 2003, several government officials linked to the MST lost their jobs, including the president of INCRA*

the campaign for the the areas of rural for the need to allocate more MEC (Ministry of Education) promoting a professional would involve 20 thousand from the areas of rural camps. The letter also called against the impunity of the field (by approving the amendment that transferred

smugglers. The proposal of the MST opposes authorisation to sow and commercialise transgenic products, in favour of a new agricultural model for the generation of work, the production of food for the domestic market, for food sovereignty and, in general, to hold life in the countryside in high esteem. In response, in September 2003, several government officials linked to the MST lost their jobs, including the president of INCRA.

In 2003, the agrarian movements asked the Lula government for the settlement of 400.000 landless families. The government initially said it had the capacity to settle 140.000 families in its first year, then lowered the promise to 60.000 families. By the end of the year, however, there were just over 20 thousand families settled. Of the budget allocated to the agrarian reform, 65% was cut as part of its policy of "primary budget surplus" to guarantee the payment of the enormous public debt (mainly internal). At the end of 2005, however, the "redistribution of land" was paralysed in Brazil. The social movements and non-governmental organisations of the National Forum for Agrarian Reform and Justice in the Field were evaluated. The government's action in that area was reduced to "a mere settlement program", in an amount lower than that promised, which did not change the Brazilian situation of land concentration nor did it lead to the expansion of family and peasant agriculture. Referring to 2005, *this was the best year of agrarian reform in the history of Brazil. Land was given to 111.200 families since the beginning of the year*, said the executive secretary (deputy minister) of the Ministry of Agrarian Development, Guilherme Cassel.

Joao Pedro Stédile, of the MST, refuted it affirming that, on the contrary, the government was using *the same artifice* of the previous administration, counting as new settlements the simple regularisation of already settled families or the replacement of those that abandoned the land they had received. Most families were isolated in the Amazon, *living in terrible conditions* and unable to produce or sell their crops. The main points agreed in May between the Government and the MST are not being met, such as the quantitative target and the priority for the family groups that live encamped. According to the MST, there are 140.000 families of landless peasants living in precarious camps, in plastic tents on roadsides or in occupied lots, waiting for the government to assign them a plot. According to the Government, about 20.000 families that settled this year come from the camps controlled by peasant movements.

In the first two years of Lula's government, 2003 and 2004, the Institute of Colonisation and Agrarian Reform announced that it had settled 117.555 families. Even fulfilling the quota of that year, there would be more than 160.000 families left to reach the goal in 2006, which it is not even close. During the eight years in which Fernando Henrique Cardoso (1995-2003) ruled, 524.000 families were officially settled, a fact also questioned by the MST. *This government fails to promote a real agrarian reform because it gives more importance to agribusiness exports and has given in to the big landowners and adopted an economic policy that favours the financial sector, transnational corporations and large monoculture agriculture*, said an official document from the peasant movement (see: Osvaldo Coggiola (Universidade de São Paulo) [The agrarian question in Brazil](#)).

In 2017, the FAO reported that Iberian America is the region with the most unequal distribution of land on the planet ([see here](#)). According to the FAO, the region far exceeds Europe, Africa and Asia, with 0.79 in the Gini coefficient (which measures inequality on a scale of 0, "total equality", to 1, "total inequality") applied to the distribution of the land. On the other hand, in the same coefficient Europe registers a 0.57, Africa a 0.56 and Asia a 0.55. In South America, inequality is even greater than the regional average (reaching a Gini coefficient of 0.85), while in Central America it is slightly lower than the average, with a coefficient of 0.75. Brazil has, in terms of agrarian inequality, one of the highest Gini coefficients in South America with 0,854 in 2012 after nine years of PT government.

In a detailed 62-page study published in 2012 on the agrarian question in Brazil, titled Land governance in Brazil - Geohistorical study of land governance in Brazil by Bernardo Mançano Fernandes, Clifford Andrew Welch, Elienai Constantino Gonçalves ([see here](#)) can be read:

« Brazil is a country the size of a continent, the fifth largest in the world. According to the Brazilian Geographical and Statistical Institute (IBGE), it has an area of 8,5 million square kilometers. The agricultural potential of this vast territory is enormous but so are its inequalities. Among these is one of the most concentrated land tenure structures, which reaches 0.854 Gini index (a 1.0 inequality, in which an own everything), with large companies as the lion's control economic majority of agricultural levels and define productive predominantly basic industry in Brazil constitute

*By producing predominantly basic products, the interests of agro-industry in Brazil constitute a hegemonic power that determines agrarian planning and relegates small farmers, who are precisely and ironically those who produce most of the food destined for the domestic market, to a subordinate role*

would indicate maximum individual or company would national and transnational share owners. These companies development policies, enjoy the credit, monopolise markets at all technologies. By producing products, the interests of agro-a hegemonic power that

determines agrarian planning and relegates small farmers, who are precisely and ironically those who produce most of the food destined for the domestic market, to a subordinate role. As the main producer of soy, coffee, sugar, beef, chicken, dried vegetables, oranges and tobacco, Brazil is one of the most important agricultural countries (Welch 2006a). It has a total area of 851,487,659 hectares, but during the period 1996-2006 only 330 million hectares were used for agriculture, according to the most recent agricultural census (IBGE 2009a, 2009b). During the period 1975-1985, the cultivated area was larger, with a total of 375 million hectares. This means that in any event, in those 20 years, Brazil used between 39 and 44 percent of its territory for agriculture, one of the largest proportions of cultivated land among the nations of the world. The persistent rural inequalities become dramatically evident when comparing family farming with agroindustrial companies. The 2006 census counted 5.175.489 agricultural establishments (family or business) of which 84,4 percent (4.367.902) were family units and 15,6 percent (805.587) were business operations. The total surface of the family units was 80.250.453 hectares while the large companies represented 249.690.940 hectares. According to the 2006 census, although agribusiness used 76 percent of the cultivated area, the value of its gross annual product was only 62 percent (44.500 million dollars) of the total production, while peasant farmers or relatives were responsible for 38 percent (27.000 million dollars) of gross annual value although only using 24 percent of agricultural land. Additional statistics reveal greater inequality. Although farmers used only 24 percent of the agricultural area, they employed 74 percent of individuals with an economic commitment in the sector (12.322.225 people), while the richest agroindustrial segment employed the rest of the 26 percent (4.751.800 people). This means that each 100 hectares of agribusiness land have sustained an average of two people, while the same area of peasant land has sustained around 15 people. Employment relationships are significantly different in both sectors since the majority of the peasant workers are family members, who live on the farms, while the majority of the employees of the agro-industry are temporary or part-time workers who do not live on farms but in urban areas »(pages 11 and 13).

V. Financial capital. Bruno Lima Rocha ([see here](#)) writes about the rentier's logic in Brazil:

*In Brazil financial capital operates within the State's budget, assessing the value of wealth and exhausting the volume of taxes collected by the Union. The federal government concentrates around 66% of the total tax revenue obtained through tax collection. From the government's bodies in Brasilia, budgets are shared through various entries and allocations. In this Kafkaian labyrinth which is the federal budgetary component, the states and municipalities receive*

very little. Moreover, must be accompanied justifying the project. administrations lack the office, a parallel

*In Brazil financial capital operates within the State's budget, assessing the value of wealth and exhausting the volume of taxes collected by the Union*

customarily the budget requests by account balancing entries But since most municipal conditions to operate a project economy of services is created,

where outsourced third-party operators "approve and sell" their project to both the municipalities as to those who sign the parliamentary amendments. Nonetheless, the basic level of government (5564 municipalities) lives on handouts, yet it could receive more than double the emoluments if it were not for two barriers.

The first barrier directly drains the National Treasury. It would simply be revolutionary to place against the wall the guild of rentier capitalism, where public debt payments consume more than 42.04% of the federal budgets. For the budgetary provisions for 2014, this would imply allocating for these debt payments almost half of the R \$ 2.383 billion to be spent (or invested) by the Union. Such debt burns R \$ 4 billion per day, whose main destination is the coffers of government securities investors, mostly banks or investment funds, including pension funds. In the 2014 budgetary execution alone, according to the Citizens' Debt Audit, the country spent more than R \$ 203 billion, close to 65% of federal expenditures up to the second month of the year. The second barrier is the odious DRU (Unbinding of Union Revenue), a law that regularly removes resources from healthcare, education and infrastructure for "contingencies", which in most cases goes in favour of the financiers. The DRU was provisional and was created in 1994, with the justification of trying to maintain macroeconomic stability. It has been extended in Congress —generally by consensus— in the last 20 years. With the DRU, the Executive power can freely allocate 20% of the annual budget, depleting the investment capacity of the country. Such capacity does not exceed a ridiculous 18% per year, against an average of 25% for the other members of the BRICS (Brazil, Russia, India, China and South Africa).

*Conclusion: If everything that is solid melts in the air, it is because in the real economy someone makes wealth evaporate and become redeemable in some tax haven. Through the financial casino, the looting over collective toiling is normalised.*

*The power of the banks on the Brazilian real economy: In addition to the interests leveraged on the budget —with the capacity of financialisation to extract almost half of the government's budget— we have the banking sector's presence on the Brazilian real economy. I point out that this critique is presented on the continuity elements of the Fernando Henrique Cardoso era perpetuated during the Lula-Dilma period (started in 2003). I acknowledge that from a global capitalism perspective, Brazil has relatively harsher rules and a comparatively more stable financial system, but it is only that, Lima Rocha's article goes on over the data on the profits of the Banks in Brazil in 2013.*

VI. In summary. As we said at the beginning of this note, the PT never aimed to make the structural transformations necessary to produce a social change, in favor of the exploited and oppressed, sustainable and long lasting:

a) a deep agrarian ensure the expansion raise the standard of and thus eliminate the to the cities, ensure the national level, put a

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reform in order to of rural employment, living of rural workers main reason for exodus supply of food at the brake to the ecological

disaster caused by the massive felling of trees for export, etc. All this is an essential stage to start a process of harmonious development of the Brazilian economy at all levels, eliminating poverty and extreme poverty and deep social inequalities.

**b)** suppress the extreme vulnerability of the Brazilian economy (currently based largely on the export of commodities) to the vagaries of the transnational economy, focusing on the production and national consumption of goods and services. And very particularly, to break the strong ties and subordination to both the speculating and parasitic national and transnational financial capital. And break the ties with the representatives of the IMF and the World Bank.

*The Progressive ColaProgres.* This failure of "progressivism", in Brazil as in other countries, opens great doors to ultraconservative and fascist governments that take advantage of the frustration and despair of the people, dazzled and blinded by the brutal promises of a "strong" government that will resolve all problems.

The human rights movement offers essential lessons for global movement-building in the twenty-first century. Although systemic social transformation will not come quickly or easily, the attributes and experience of the twentieth century rights movement can help illuminate the journey.

When discussing the precondition for creating social change, community organiser Saul Alinsky said that one needs a blend of anger, hope, and the belief that one can make a difference. Some see anger as the primordial emotion of justice. But while anger stimulates action, in the absence of hope and sense of efficacy, it can burn out quickly and lead to apathy. It is this delicate balance of grievance, vision, and sense that one's actions matter that shapes the chronicle of human rights.

The contemporary drift toward a fortress world of wealth disparities, intolerance, and regressive nationalism signals a difficult struggle ahead to create a just and sustainable planet. The universal, supranational, emancipatory, and expansive character of human rights is poised to serve as a connective tissue binding disparate movements and awakening a global citizenry in a super-movement capable of accelerating a Great Transition.



## Contemporary (Salaried) Slavery — A focus, among others, to try to understand the Brazilian tragedy\*

*It is a partial approach because the underlying explanation —requiring an exhaustive analysis— must be sought in the failure of petismo, a variety of the collapse of the so-called progressive governments of Iberian America, which try to conceal their apologetic opinion makers with fallacious arguments. To this we can add the political and ideological inability of the left to propose and promote an alternative that overcomes such failure. The Taylorism or "scientific management of work" and its application in practice, Fordism, was based on the idea of making the worker one more mechanism on the assembly line: the worker, instead of moving to perform his task remains on his site and the task comes to him on the assembly line. The speed of the latter imposes the pace of work on the worker inexorably.*

*The first to apply it in practice was Henry Ford, at the beginning of the twentieth century, for the manufacture of the famous Ford T model. This brutalising work exhausts the workers, many of whom chose to leave. Faced with an extremely high turnover rate, Ford found the solution: vertically increasing wages to \$5 per day, which he was able to do without decreasing profits given the huge increase in productivity and the steep decline in production costs resulting from the introduction of chain work. The new wages at Ford factories allowed their workers to become consumers, including the cars they manufactured.*

*The workers, who did not feel at all interested in repetitive work that left no room for their own inventiveness, recovered their human condition outside of work (or thought to recover it) as consumers, thanks to the relatively high wages they received. This situation was generalised in the most industrialised countries especially after the Second World War and in a very circumscribed and temporary way in some peripheral countries. [1] It is what was called "the Welfare State". «The Welfare State is not, as one often hears it said, a State that fills the gaps of the capitalist system or heals the wounds inflicted by the system through social benefits. The welfare state is set as an imperative to maintain a growth rate, whatever it may be, provided it is positive and to distribute compensation in order to always ensure a counterbalance to the wage relationship.»[2] It is therefore true that the "welfare state" profoundly influenced the consciousness of the workers. Lars Svendsen writes: [the workers] «... ended up accepting the salary relationship and the resulting division of labor. Contrary to what revolutionary Marxism expected, they stopped questioning the capitalist paradigm, contenting themselves with the more modest ambition to improve their condition within the system. That also meant that his hope for freedom and personal fulfillment lay in his role as consumers. Its main objective was to increase their salaries in order to consume more.»[3]*

*The welfare state ended more or less abruptly with the fall of the capitalist profit rate and the consequent fall in real wages. To give new impetus to the capitalist economy and reverse the declining trend in the rate of profits, the application of new technologies (robotics, electronics, computing) to industry and services began to become widespread. [4] In this way, the new technologies, the "scientific" management of work and the consequent increase in the intensity of work, while maintaining the same working hours, increases the capitalist benefit as relative surplus value (less labour needed and more surplus labour). And if the working shift increases, the capitalist benefit also increases (absolute surplus value such as that which the capitalist obtains during the normal working day) even if the same proportion between necessary labour and surplus labour is maintained. See Marx, Capital, Book I, section 5, Chap. XIV (absolute surplus and relative surplus value).*

*The introduction of new technologies required another form of worker participation in production, which could no longer be reduced to that of mere automaton. The exploitation system had to be modified-perfected, since new techniques, including computer science, required different levels of training and knowledge, which led to the blurring of the boundaries between manual and intellectual work. This is how "management" is born in its different variants, all tending essentially to make wage-earners feel involved —along with the bosses— in a common effort for the welfare of all.*

*This does not mean the disappearance of Fordism, which is still valid for tasks that do not require qualification, and essentially subsists in the new conception of the company: the control of personnel —one of the cornerstones of the capitalist exploitation— which is physically carried out in the Fordist production chain, and continues —stressed on— in the post-Fordist era by other means. «Thanks to computer technologies —writes Lars Svendsen— management can monitor what their employees do in the course of the day and what their performance is.»[5] The new "management" aims at the psychology of the personnel. Personnel directors (or Human Resources Directors) will talk about "creativity" and "team spirit", about "personal achievement through work", that work can —and should— be entertaining, ("work is fun") etc., and manuals on the same subjects are published. Even "funsultants" or "funcilitators" are hired to introduce into the minds of workers the idea that work is entertaining, that it is like a game ("gamification" of work).[6]*

*If employees are asked if they are satisfied in their work many will answer positively, that if they did not work their lives would be meaningless. And this is true even for those who perform the simplest tasks. In the Fordist chain the company takes over the body of the worker, with the new "management" seizes his spirit. Svendsen writes: «The motivations and objectives of the employee and the organisation are presumed to be in perfect harmony: The new "management" penetrates the soul of each employee. Instead of imposing discipline on him from the outside, he motivates him from the inside.» Hans Magnus Enzensberger, a German poet and essayist, wrote in the 1960s: «Material exploitation must be hidden behind non-material exploitation and obtain the consent of individuals through new means. The accumulation of political power serves as a screen for the accumulation of wealth. It no longer only takes over the ability to work, but the ability to judge and express your thoughts. Exploitation is not suppressed, but the consciousness about it is.»[7]*

*Most of the benefit resulting from the increase in productivity increases the capitalist income and a minimum part is added to the salary, albeit not always. This is how a constant of the capitalist system is the deepening of the inequality in the share of income. And in the same way, the social time freed up by the increase in productivity is distributed unequally: the time devoted to work by wage earners does not diminish, or approximately, at the same rate as productivity increases.*

*"Management" seeks to ensure that the "white collar" worker, who is —or tends to be— the majority in the most industrialised countries, centres his life as a person in the company and fills his "free" time outside of it —driven by fashion and advertising— as a consumer of necessary and unnecessary objects [8] and of different types of alienating entertainment, as a follower of commercialised sports, of television series, as an addict of electronic games (a true contemporary calamity), etc., to the extent that your real income and the credits you can obtain (and that in times of crisis cannot be paid off) allow. In other words, the capitalist system in its current state tries to overcome its insoluble contradictions inherent to the appropriation by the owners of the instruments and means of production —and to the conversion of a good part of social human work— by taking over most of the growing social free time (unequal distribution of social free time gained with the increase in productivity) to "put on surplus labour" —as Marx writes in the Foundations of the critique of political economy (Grundrisse)— and also by taking advantage of the limited private time left to those who work, transforming it into an object of consumption.*

Hence it can be said that the salaried slavery of capitalism proper, which could be understood as limited to the working day, now extends to EVERY HOUR in the life of employees. Somehow, he has the difference between slavery as the prevailing system in antiquity (the slave in permanent service of the master) and modern wage slavery disappeared. This is so because the oligopolistic concentration of mass media (including electronic communication) and mass entertainment products (television series, popular music, amusement parks, video games, films, etc.) is on its pinnacle.

Large companies have almost total global control of these products, through which they dictate to human beings how they should think, what they should consume, how they should use their free time, what their aspirations should be, etc. They are the apparatus destined to maintain and consolidate the hegemony of the ideology and culture of the capitalist system and formidable devices for the neutralisation of the critical spirit, and for the domestication and the intellectual, ethical and aesthetic degradation of the human being. They homogenise on a planetary scale the reflexes and behaviours of the human being, destroying the originality and richness of the culture of each people. They are the vectors of the ideology of the dominant system, which filter information out and taint the information of that same ideology, already filtered, according to their particular interests. They serve as a privileged platform for obsequious journalists, political scientists, sociologists, economists, media philosophers and other "opinion makers" justifying the system and the TINA — "There Is No Alternative" — formulated at the time by Margaret Thatcher and updated by the director General of the International Monetary Fund, Christine Lagarde: "There is no alternative to austerity" (Diario Le Monde and AFP, 2 May 2013).

The transnational consortia reach with their products (news and others) hundreds of millions of people and are the true (rather deforming) shapers of public opinion. The techniques to maintain the hegemony of capitalist ideology have acquired a scientific hierarchy. The mechanisms of mental manipulation are subject to academic work and international seminars. At Stanford University, California, there is a Persuasive Technology Laboratory run by B. J Fogg, who has written a book whose title says it all: «Persuasive Technology: Using Computers to Change What We Think and Do (Interactive Technologies)». This discipline is also called captology.

From 6 to 8 June 2012, the "VII International Congress on Persuasive Technology" was held in Linköping, Sweden. In the official announcement of his Congress it was explained that «Persuasive technology is an interdisciplinary scientific field that studies the design of interactive technologies and services to change the attitude and behaviour of people. In this event areas such as classical rhetoric, social psychology and ubiquitous computing converge [9] and its specialists often devote themselves to the design of applications in domains such as health, business, security and education. The congress has the most up-to-date information on how to design mobile and Internet-based applications, such as mobile games and sites dedicated to social networks, to influence behaviours, thoughts and feelings».

Other similar meetings and conferences are usually held in different parts of the world. Alain Accardo sums it up effectively when he writes: «In fact, all the social practices in which we take part have implicit pedagogical effects and contribute, a little or a lot, to "plier la machine" in us, in a sense usual, albeit not always, according to the needs of the system." The expression "plier la machine", literally folding the machine, alludes to the Cartesian idea taken up by Pascal that the human being is on one hand spirit and corporally a machine, an automaton. Literarily it could be translated in the sense that Power puts people on their knees to lead them to believe what Power wants them to believe. [10] Accardo then refers to the three domestication devices integrated into the capitalist system that he considers essential: 1) the school and university system, 2) the media-information-communication system and 3) the political system of representative democracy.

[1] As was the case of Argentina in the years 1945-50 that Ezequiel Martínez Estrada describes in very hard terms in the chapter "Industrialisation of servitude" in his book *What is this? Catilinarias*.

[2] Dominique Meda, *Le travail, une valeur en voie de disparition*. Ed. Aubier, Paris, 1995, p. 135

[3] Lars Svendsen, *Le travail. Gagner sa vie, à quel prix?* Editions Autrement, Paris, September 2013, p. 140

[4] "... Throughout the history of capitalism, from the great industrial revolution of the eighteenth century to the present, the economic system has been developed by successive movements of investments and technological innovations. These movements seem mainly linked to the difficulties inherent in the process of capital accumulation: this process, at a given moment, is blocked and everything is questioned: regulation, wages, productivity. Technological innovation is a way out of the crisis, but it does not come alone: it directly affects, sometimes the level of employment, always the organisation of work and the control exercised by the workers over their work and their instruments of work and, for their organisations, on the level of wages, on discipline at work and job security ... ". Alfred Dubuc, *Quelle nouvelle révolution industrielle? in: Le plein emploi à l'aube de la nouvelle révolution industrielle*. A publication of the School of Industrial Relations of the University of Montreal, 1982. <https://papyrus.bib.umontreal.ca/jspui/handle/1866/1772>

[5] A detailed study of the organisation of work in companies that have incorporated robotics can be found in Benjamín Coriat, *L'atelier et le robot. Essai sur le fordisme et la production de masse à l'âge de l'électronique*. Editions Christian Bourgois, France. 1990. On the same subject: Michel Freyssinet, *Trabajo, automatización y modelos productivos*. Grupo Editorial Lumen, Argentina 2002.

[6] See, on the site <http://www.changeisfun.com/about/leslie.html>, the exemplary biography and bibliography of Leslie Yerkes, president of Catalyst. His biography begins: "Leslie's specialty is helping organisations turn challenges into opportunities. Their philosophy is simple: People are basically good, well intentioned, brave and able to learn, and Leslie's job is to provide a framework in which people can draw on their own internal resources to find creative solutions."

[7] Hans Magnus Enzensberger, *Culture ou mise en condition?* Collection 10/18, Paris 1973, p. 18-19.

[8] It is the so-called demonstration or imitation effect, which in economic terms was formulated by James Stembler Duesenberry, who refers to the tendency of the members of a social group to imitate consumption behaviours of the highest income layer of the same group or the next layer to try to identify with the latter (Duesenberry, James, *Income, Saving and the Theory of Consumer Behavior*, Harvard University Press, 1949). Fashion and brands promote that effect. On a more general level, the fact that the popular classes (at least a good part of them) tend to imitate the ways of thinking and behaviour of the ruling elites, is to refer to them as the demonstration or imitation effect. Even in a few cases, they try to copy the criminal behaviour of the elites (all of them steal, so me too), believing that, like them, they will benefit from impunity.

[9] Ubiquitous computing or "environmental intelligence" is the integration of computing in the environment of people, so that computers are not perceived as differentiated objects. The person interacts naturally with computer devices and computer systems that in turn interact with each other and can perform any daily task through such devices (turn on the lights, turn on the heating, the kitchen oven or the TV, turn on and off the computer in the workplace, etc. from near or far). These devices can have a practical utility (such as preventing the car from starting if the driver has not adjusted his safety belt, which induces a positive behaviour) but on one hand tend to convert the human being into another robot and on the other, they allow remote control of all activities, even the most routine, of people.

[10] Alain Accardo, *Notre servitude involontaire*, Edit. Agone, France, 2001, p. 50 and ss

\* Excerpt from the author's book: "El Papel Desempeñado por las Ideas y Culturas Dominantes en la Preservación del Orden Vigente", 2015, Editorial Dunken, Buenos Aires, Argentina; also published as "El Colapso del Progresismo y el Desvarío de las Izquierdas", 2017, La Carreta Editores, Medellín, Colombia.

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❖ **About the author:** Alejandro Teitelbaum is a Lawyer, Universidad de Buenos Aires, and a Postgraduate in International Economic Relations at the Institute of Social and Economic Development, Université Paris I. The author worked for many years on the issue of human rights in the realm of global corporations and other business enterprises. As the former Permanent Representative to the United Nations Office in Geneva, for the American Association of Jurists, he spent time toiling with the bureaucracies of the UN and member States in pursuit of an international legal framework that would harness business activity so that it would stop violating a wide array of human rights in its sphere of influence, as is customarily the case today. As such, he witnessed how, time and time again, the bureaucracies succumbed to the will of the leading economic powers, who were adamant at maintaining the preeminence of corporate interest over their responsibility for their infringement on human rights.

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Portal on the net: <https://www.jussemper.org/>  
e-mail: [informa@jussemper.org](mailto:informa@jussemper.org)