

“Beneath the Surface” interview on the crisis in Brazil

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Pedro Paulo Zahluth Bastos interviewed by Suzi Weissman.

Suzi Weissman: Welcome to Beneath the Surface, I'm Suzi Weissman. I'm extremely pleased to have Pedro Paulo Zahluth Bastos back with us. He's in Campinas, Brazil, that's not too far from São Paulo; it's the university there. He's a professor of political economy, and the co-editor of *The Era of Vargas*, and he's joining us to talk about this continuing profound crisis in Brazil.

The lower House there has voted to impeach President Dilma Rousseff—called Dilma in Brazil. She's from the Workers Party, or PT. This is now working its way through the complex political process that Pedro Paulo is going to help us to understand. Brazil is also facing a very profound political, social, and economic crisis, and most critics describe the move to impeach as a 'coup.' We'll get Pedro Paulo to unravel this very complex story, including the political system, which has been described by Perry Anderson in a wonderful article in the London Review of Books as a “diseased political system.” The last part would be to ask whether Brazil once again, as in 1964, is a harbinger for what could come in the rest of the continent.

Maybe I think we should just begin with the political process of this impeachment, and then we'll go back to what's behind it. How does this work? As I said in the introduction, it's a diseased political system but it's also a fairly young democracy, literally since the mid 1980s. Did it begin this way? And is it the case that the PT, once in power, effectively had to participate in this diseased system in order to be able to govern?

Pedro Paulo Zahluth Bastos: Yes. The problem is that the political system is financed, the campaign contributions to the elections are made by the enterprises [corporations - ed.]. And enterprises contribute generally, of course, because they want to invest in the candidates to have rewards in the form of public contracts and kickbacks, as you know. The problem is that the PT couldn't make pressure with support from the popular base to reform this political system; and in fact, it adapted itself to it.

Of course it didn't invent or create the corruption; this came to reach politicians to finance electoral campaigns, and also reached the construction companies, as it was clear in the case of Petrobras [the scandal-ridden national oil company - ed.]. But on the other hand, PT adapted itself to it. Its strategy was not to try to force a change of the system by resorting to popular pressure; it decided it had to conciliate itself with the right wing and center political parties, and so it avoided to make any kind of noise that could preclude this conciliation. And now, in a way, it is paying for this strategy.

SW: This is really interesting, Pedro Paulo, because it's kind of the trajectory of the United States

once we got the Citizens United ruling that opened the floodgates to campaign contributions. But the difference there is what you're saying, that the Brazilian political system, or the campaigns, is entirely financed by industry and enterprises; and this kind of cuts the people out, although the people vote.

PP: Exactly. Of course, this creates a lot of vetoes, also, when it comes to discussing economic reforms. For instance, the PT didn't try also to enact tax system reform so that it would be more progressive; it didn't try to change the way the central bank is run, it's still run by orthodox economists pretty much related to banks and the rancher classes. There's a huge fiscal cost of high interest rates, and the tax system is very sensitive to economic slowdown, as we are seeing now. And so the pressure to cut in order to recreate, or create, the credibility of the public debt with the rancher class is fierce.

And as I mentioned also, it didn't try to force or incentivize popular pressure to enact a reform of this political system; for instance, reinforcing party loyalty, reducing the individualization of campaigns, and especially, as you mentioned, reducing the importance of enterprises in the finance of electoral campaigns.

I think that the leaders of the PT thought that they were already effective by this system, by the bourgeoisie and by the traditional politicians. And now they suddenly realized that's not the case; that even though they were very timid and refused to enact any radical structural reform, they were still not effective because the Right thinks it was too much to have the PT's small redistribution of wealth, the increase in labor rights, and increase of resources dedicated to social policy. So it's a backlash from the Right that the PT would like to appease; and on the other hand, the fact that the austerity drive of Dilma last year hurt so much the popular bases of the PT and Dilma Rousseff's electorate, of course, made her very vulnerable to this right-wing backlash.

SW: So let me just explain: Dilma, representing the Workers Party and following on from the former president Lula who was incredibly popular, had participated in the beginning in some redistribution as you said, in pensions and more workers' rights; but then she switched to a programme of austerity and lost her base, and that's when demonstrations began. And you've described this, as many others have, as a 'slow-moving coup': the attempt to impeach her, which has now been done in the lower House and now has to move through a fairly complex process that involves the courts as well.

But is it the case that her vice-president Temer, who is from the Right, will assume power while this is going on? And if the system is so filled with this kind of corruption, does getting rid of Dilma—who is relatively personally free from corruption—what does it say about the others? Will they accept any other party as well, or is this crisis just going to keep going on and on?

PP: Well, I think the crisis will keep going on, because I think the main objective—the immediate objective of the political coalition that impeached Dilma—is exactly to stop the investigations, because actually the politicians want to survive. And one of the reasons that they would like to oust Dilma is exactly because she gave so much autonomy for the judiciary and the Federal Police to investigate them. So of course, one of the first things they would try to do is to stop the investigations.

But they have a much more radical program, a typical neoliberal program, to make a lot of structural reforms in constitutional rights and labor laws, and also to change laws that force the government to spend a certain amount of the GDP in health and education, and so to commercialize health and education in Brazil also. Things are still very uncertain, because if they try to stop the investigation very swiftly and very soon, of course there will be possibly a popular backlash. [On May 21st, there

was a vote in the Senate to accept the impeachment process, forcing the president out of office temporarily pending the final vote - ed.]

SW: I think the suspension period is 180 days, isn't it?

PP: Yes, six months. But actually, the president of the Senate said already that he would like to have the vote in three months, by September 21st; and in that time, 2/3rds of the Senate, or 54 senators, have to vote against Dilma so she steps down definitely.

SW: And what's happening? Do you know what the count is right now, what the situation looks like?

PP: By now, more or less 44 to 46 declared already they would impeach Dilma. So they don't have yet 2/3rds of the Senate. And this illusion of the 'Carwash' investigation might incriminate some of the politicians that are against Dilma, although there is a huge possibility that Judge Sergio Moro enacts a slowdown of the investigation in order to facilitate impeachment and avoid hurting those who are against Dilma. And the second thing is that Vice-President Temer became even more unpopular with his betrayal of Rousseff. If he tries, in a Machiavellian way, to enact quickly some constitutional reforms that are in his party program, and to restrict social and labor rights, popular mood can change radically, and public opinion might be a mixed majority against the impeachment process. And that might turn the opinion also of some of the Senators, and maybe Dilma might come back in September.

SW: You're describing a situation that is incredibly dramatic but also delicate, because the outcome can't be determined either way using the democratic process.

PP: Exactly, exactly. But if Temer is forced—because of popular resistance to his program and because of new corruption scandals—to call new elections, the problem for the Right is that Lula is still the most popular candidate. And that's some silver lining, actually; because of course there will be political resistance, both to a forced stop to the investigations or if they try to reenact the neoliberal program. And people are now massively on the streets against the impeachment process, and against also the threat of the austerity program. On the other hand, a new Left popular front was created, and PT is finally planning to back some Left candidates in the next municipal elections, including candidates from PSOL, which is a bit far left, much farther left than PT.

SW: Well, this is all very good, because I was going to ask you: if this coup is in fact effective, would it spell the end of Brazilian democracy and would it be a harbinger for the rest of the continent, just as the '64 coup in Brazil was? But you're describing already a kind of fightback that sounds pretty hopeful.

PP: Yes, and actually we don't know exactly what Temer and his group would like to do. Maybe they will enact some kind of very radical political reform also to recreate the possibility of enterprises' finance of campaigns, because it was considered illegal by the Supreme Court last October. But he also may try to change the political regime to a parliamentary regime, where they would have much more influence. On the other hand, he might also change the composition of the Supreme Court, or increase the number of judges in the Supreme Court so that he will have control of the judiciary also. Nobody knows exactly. It's a different coup than those that were enacted in the 1960s.

But on the other hand, PT admitted that the main failure of its strategy was to disregard social mobilization in the streets in favor of a structural reform that would collide with the interests of the bourgeoisie, and declared already that it had to get back to this old tradition and favor candidates from the Left in the next municipal election. That's quite good, because it means that a new era also for Left politics in Brazil was inaugurated in a sense; even though the leaders of the PT didn't want

to do this, but they were forced by the Right to do this.

And Lula—if there is not a parliamentary regime after the reforms that Temer might do, Lula is still the favorite candidate for the next presidential election. But nobody knows if he will be able to run, because people were trying also to incriminate him based also on flimsy accusations, as was the case with Dilma.

Of course, there was a huge defeat, but not everything was lost. There is a reversal also of strategies, and people are fighting back in the streets again to try to make the fight in the ideological realm, something that PT completely disregarded, creating a political vacuum that the new right wing movements have been occupying since 2011.

P.S.

* <http://www.solidarity-us.org/site/node/4722>