

Understanding Brazil's Crisis

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The current Brazilian crisis gave its first signs with “spontaneous” demonstrations in 2013 on account of the bus fare rising in São Paulo. It was the spark for an escalation of the struggles faced by President Rousseff of the Workers Party, whose responses avoided clashes and repression. In the following year, although the Brazilian economy was at its lowest level of unemployment in its history and achieved positive social outcomes, leaving, for example, the UN hunger map, the protests in opposition to the then-administration increased on behalf of fighting against corruption.

The struggles soon spread throughout society due to the intensification of the 2014 electoral dispute for the presidency. Despite the good social outcomes, the tight victory in the elections ended up pushing Rousseff to carry out a change in the economic policy. She had to deal with some shocks and macroeconomic imbalances, whose final result was to add a new component to the context, exploited by opposers. Since 2015, Brazilian society has faced a prolonged economic crisis, alternating recession, and stagnation.

The gravest component has happened a year later with the beginning of an institutional crisis related to the fundamental principles and guarantees of the Democratic State of the Law in Brazil, established by the 1988 Constitution. In 2016, the coup against President Dilma Rousseff carried out for silly reasons and without a crime of responsibility was the first act. The arrest of former president Luiz Inácio Lula da Silva in 2018, by a controversial legal process, was the second. According to the polls, he was the most popular politician in the country and the favorite to win the elections that year. Nowadays, it is proved that the prosecutors worked together with the judge aiming to convict the former president. Both acts have set the country on the road to a deep, political, economic, and institutional crisis. It was the opportunity for the emergence of a right-wing extremist through spreading fake news and post-truth.

How come part of the Brazilian society has become supporters of this process is a good question. There are at least three social dynamics behind it.

The first and more evident dynamic is the capital-work confrontation. During the Workers' Party's administrations (2003-2015), there were expressive increases in the salary mass, especially in the minimum wage, which improved 74% in real terms. The government has established a valuation mechanism, which has restored inflationary losses as well as granted real salary increases. Furthermore, there was significant growth in social investments especially in public education and health which favored the poorest layers of

society. The combination of the strength of minimum wages and expressive growth in job opportunities, achieving full employment in 2014, compelled the middle class to change their lifestyle to a modern pattern more similar to other western countries, whose domestic services are expensive. In Brazil, up to now, the middle class is used to counting on a large group of cheap domestic workers, like maids, cooks, cleaners, doormen, babysitters, janitors, etc.

From a historical point of view, labor in Brazil is structurally so low-cost that even the family's framework in the middle classes bases on the widespread use of domestic services by inexpensive value. It is another social dynamic of confrontation in the country whose origins go back to the slavery aspect of colonial Brazil, which has left deep marks up to the present. In this context, one of the most symbolic government acts was the constitutional amendment carried out by Rousseff in 2012 regularizing domestic labor. The bill matched the labor rights of domestic servants to those of workers in general. Somehow, Dilma's administration tried to put an end to semi-slave labor present in Brazilian middle-class homes, which mainly has affected black and poor women. Quota policy for black and poor young people to access public universities, the best qualified in the country, is another important example. It is not difficult to understand the aversion of the upper and middle classes towards Rousseff and Lula. These Brazilian layers effectively ended up acting in defense of their class privileges, which have roots in the colonial era.

Despite all these clashes, the Brazilian conservative forces were unable to accomplish a coup, as the one had happened against president Rousseff and the later arrest of former president Lula. There was another actor very disappointed and worried about the way that the country was moving forward.

Throughout Lula and Dilma administrations, geostrategic antagonisms of hard overcoming have arisen with the United States, the most powerful country in the world. The first one related to Brazil's National Defense Policy (2005) and the National Defense Strategy (2008), as well as the Union of South American Nations (2008), coordinated by Brazil in the Region. All of them structurally changed the emphasis on the security agenda. Instead of stressing internal threats, as guided by the U.S. Doctrines for the South American countries since the Second World War, priority was given to external threats, especially foreign powers. The main objective was to improve the Region's international insertion and achieve more autonomy for the countries in the system. It also searched to strengthen the control on strategic natural resources like oil reserves. It implemented policies for cooperation among the South American countries without the presence of the United States. On the economic side, there has been the reformulation of Mercosul, not by liberal bias anymore. On the political one, it has established a regional security agenda through the Union of South American Nations (USAN), undermining the Organization of American States (OAS) controlled by the United States.

A second international antagonism arose with the discovery in 2007 of large reserves of high-quality oil in the pre-salt layer deep under the South Atlantic Ocean. Three years later, the Brazilian government approved specific legislation to this new frontier, placing Petrobras (a Brazilian state oil company) at the center of pre-salt exploration. In the first auction of the pre-salt reserves in 2013, Petrobras won the bid in partnership with Chinese companies to the detriment of the American ones, which had abandoned the process a month earlier due to diplomatic problems between Brazil and the United States, accentuating the contradictions. Those diplomatic problems were related to the espionage of president

Rousseff and Petrobras by the National Security Agency.

There was yet a third antagonism regarding the international financial field. The strengthening of the BRICS as well as Brazil's commitment to improving its partnership with Russia and China were not well seen by the United States. The Contingent Reserve Arrangement (CRA) and the New Development Bank (NDB) will have allowed countries with difficulties in their Balances of Payments to be financed in convertible currency by the end of their full implementation. If these multilateral financial institutions are successful, they will act outside the influence of North Atlantic great powers, competing with the international institutions enshrined in the Bretton Woods Agreements (IMF and World Bank), controlled by the United States. As an effect, the Bretton Woods institutions will lose their framing capacity due to the end of the stabilization loan monopoly.

Considering all those facts, national and foreign conservative groups have converged forces against the Worker Party's administrations and its leaders. As a result, there was a coup against President Rousseff, not to mention the prison of the most popular politician in Brazil, former president Lula, based on "lawfare". The strategy of condemning and interfering in the democratic political process has led to the rise of extreme right-wing in Brazil, connected to the militias, criminal paramilitary groups.

Therefore, after 2016, Brazilian foreign policy has changed abruptly, returning to an old tradition of automatic alignment with Washington. It was for no other reason that the post-coup administrations have opened the oil and gas sector to foreign companies (especially to the western ones), including the pre-salt reserves, while Petrobras has been criminalized within and outside the country. Furthermore, general principles and some important initiatives have been emptied or even abandoned, like multilateralism, south-south cooperation, BRICS, the Union of South American Nations, etc.

Domestically, contrary to the world tendency, the after-coup administrations have implemented an ultra-liberal economic agenda characterized by privatization, flexibilization of labor and environmental laws, cutting government spending in education, health, research & development, etc. Those initiatives have only exacerbated the social and economic crisis, such as favoring social inequalities which are already so huge in the country.

Since 2018, the scenario has become even worse. The current administration's attitude has been quite problematic due to different sorts of racist, homophobic, misogynistic actions, such as positions against human rights, indigenous people, and environmental preservation. Amid this crisis, the COVID-19 pandemic exploded in the world, exacerbated in Brazil due to the government's inaction and the president's denialist and anti-scientific behavior. Now, the country has become the world center of pandemic.

Lately, two events have impacted the national context. First, it was the defeat of Trump in the American election, removing the most important international supporter of the current Brazilian President and isolating him on the world stage. Second, the Brazilian supreme court has decided that the process against former President Lula had been defrauded, and consequently the court annulled it. This decision meant the first step toward the normalization of political life in the country. The drama in Brazil is the considerable difference between the time of politics and that of the virus.

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