

<https://www.internationalviewpoint.org/spip.php?article6120>



**Brazil**

# **Brazil: The battle over pensions**

- IV Online magazine - 2019 - IV533 - June 2019 -

Publication date: Monday 17 June 2019

---

**Copyright © International Viewpoint - online socialist magazine - All rights reserved**

---

**The visit of Paulo Guedes to the Constitution and Justice Commission (CCJ) of the Chamber of Deputies on Wednesday April 3rd provided an interesting snapshot of the political situation. An important representative of financial capital and the ultraliberal wing of the government, the Minister of Economy was there to present his pension reform, and he distilled his usual refrain to justify his attacks on the people. But in fact, it ended in a shambles. [1]**

The government's difficulties are emerging clearly, with the weakness of its parliamentary group, stuck between the unpopularity of the reform and the clientelist pressures of the parties of the centre, unable to show their support for Guedes' proposal. So, the visit of the minister ended in noisy confusion and an exchange of insults. The embarrassment of the minister representing the banking sector in the Commission led to a fall in capital markets.

The next day was marked by the frenetic search for a agreement between Bolsonaro and party leaders, showing the need to deal with those whom Bolsonarism has called the representatives of the "old politics". The press reported apologies from Bolsonaro for having "singled out" personalities such as Romero Jucá (MDB) and Ciro Nogueira (PP). In a pathetic moment, addressing Gilberto Kassab (PSD), entangled in investigations into corruption cases, Bolsonaro apologized for having previously described him as "manure".

After the crisis of the preceding week with the deputies and the president of the assembly Rodrigo Maia, after the arrests of Temer and Moreira Franco and the remonstrances of the financial and business press, the government is organizing its ranks. It wants to put its troops in marching order in defence of the reform of the pension system and to overcome the difficulties so far, demonstrated by their flagrant lack of preparation and their incompetence.

While the government gives pledges its unending commitment to reform to the bourgeoisie, new data from the Brazilian Institute of Geography and Statistics (IBGE) – immediately refuted by the President of the Republic – show that 13 million people are without employment and more than 7.4 million Brazilians have been reduced to poverty. The enthusiasm of the employers and the bourgeois press with the resumption of economic growth in 2019, as a result of the investiture of the pro-market government of government of Bolsonaro, has well and truly receded and analysts expect another year of economic stagnation. The recovery will only come, as they have been repeating since 2016, after the approval of unpopular and anti-national "reforms" and a new wave of dismantling of the national state.

## "Pension reform or death"

The bourgeoisie will redouble its efforts to approve the reform and restore the financial equilibrium. As the businessman Flávio Rocha, a longstanding Bolsonarist, has declared, the slogan of the capitalists is: "pension reform or death". Despite the speech by Guedes before the Commission, where he denounced "privileges", the proposed reform is aimed first and foremost at attacking the rights of workers in the private sector, civil servants, peasants and disabled people. The transitional proposals involve many years of additional contributions to obtain the right to retirement, as well as drastic reductions in the value of payments, making it virtually impossible to completely retire. The attack on the poorest sectors of the population, who survive on welfare benefits, is a scandalous example of the very essence of the Bolsonaro-Guedes reform: it is expected that the elderly poor will live on 400 reais (90 €,–) per month.

In addition to the attacks on the retirement of women – who suffer a double or triple working day – and categories such as teachers, the transition period for new rules, in the event that the minimum retirement age is approved, would seriously worsen an already distressing situation. It would be the basis of the destruction of the present distributive model, which has been considerably weakened by the reforms of Fernando Henrique Cardoso and Lula, in which active workers guarantee, with the contributions of the employers and the government, the pension system.

Paulo Guedes' inspiration comes from Chile, where he worked during the bloody dictatorship of Pinochet (1973-1990). At that time, Chile had become a neoliberal laboratory under the economic leadership of ultraliberal economists of the "Chicago School". That is how Paulo Guedes and his team were trained. As a representative of the interests of financial capital and the transnational capitalist class, Guedes intends to liquidate the Brazilian social security system and set up a capitalization scheme similar to that of Chile, according to which access to retirement depends on individual contributions – exempting employers – to investment funds. This is the financialization of the right to retirement, which depends on the uncertain and fluctuating remuneration of the capital invested by the workers. Bankers and investment funds are giving thanks and salivating at the prospect of managing portfolios worth billions by speculating on the future savings and the lives of Brazilian workers.

Faced with such an attack – adding to the daily idiocies of the president and the incompetents whom he appointed as ministers – the popularity of the government is melting quickly. Declaring that the capitalization proposals could be dropped during discussions in Congress, Bolsonaro is proving that the discontent and the resistance of the population weigh in the scales.

## For a broad popular campaign

The necessary response is the organization of resistance, taking advantage of the contradictions of those above and the loss of prestige of Bolsonaro. The demonstrations on March 22nd gave a signal that sparked off the debate among the workers. Faced with the unity of the bourgeoisie for the reform and the daily bombardment by the press, attached to the interests of the banking system, it will require many more debates, organization and struggle to put an end to this unprecedented attack against the Brazilian people. For our part, in the framework of the parliamentary mandates of Samia Bomfim and Fernanda Melchionna, we have encouraged the formation of national committees in hundreds of cities, with the aim of preparing a popular grassroots campaign to solve this problem. On the site of SÃ©mia alone, there are more than 1,200 committees registered.

## Combat and defeat the reform

Another important example, in SÃ£o Paulo, was the seminar on pension reform of the PSOL-SP, with the presence of the Chilean deputy Diego IbaÃ±ez of the Frente Amplio, as well as of SÃ©mia Bomfim, Ivan Valente and other political leaders.

In addition to these debates and initiatives, we must encourage broad unity of action to confront the reform of Bolsonaro and Guedes. Following the example of March 22nd, when workers of the education sector were the category that led the struggle, a new national day of action has been called by the Confederation of Workers in Education (CNTE), on April 24th. The unified mobilizations by union confederations that are expected on May 1st – which would be an unprecedented event – would give a new impetus to the building of a central day of strikes and action, a vigorous stance of the working class and the people against the reform.

*April 6th, 2019*

---

[1] This article was originally published on the website of *Movimento*: <https://movimentorevista.com.br/2019/04/a-batalha-da-previdencia/>.