



Introduction

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Source: *Latin American Perspectives*, Vol. 27, No. 6, Brazil in the Aftershock of Neoliberalism (Nov., 2000), pp. 5-8

Published by: Sage Publications, Inc.

Stable URL: <https://www.jstor.org/stable/2634269>

Accessed: 12-11-2020 20:05 UTC

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Introduction

by
James N. Green

The massive demonstrations against the World Trade Organization that caused tremors in Seattle on the eve of the millennium brought to the United States the kinds of social mobilizations that have been mounting throughout Latin America in recent years in response to the global reach of capitalism. Trade unionists, environmentalists, middle-class professionals, and students who descended on this center of high-tech production had become politicized in a wide variety of ways, but they understood that the machinations of this suprapstate organization tied them all together in a common struggle. The unbridled search for profits, markets, and cheap labor has fueled a relentless drive by transnational corporations, in sync with national governments controlled by local elites, to dismantle state-run businesses, ransack social security systems, weaken labor organizations, and strip away environmental regulations, all in the name of a return to an idealized liberal capitalism based on free trade.

As the economy of the giant to the north rages forward, Brazil—Latin America's giant to the south—stumbles through a series of economic transformations more profound than the nationalizations of oil, electricity, and other basic industries that took place under the populist nationalist leadership of Getúlio Vargas a half century ago. These current "reforms," spearheaded by President Fernando Henrique Cardoso with the support of a broad-based center-right coalition and the International Monetary Fund (IMF), have prioritized the sale of most state-owned industries. The federal pension and social security systems are seriously threatened with a restructuring that would strip hundreds of thousands of workers and public employees of hard-won social and economic benefits. Poverty is on the rise, and Brazil remains the Latin American nation with the largest gap between the rich and the poor.

The neoliberal measures so fiercely implemented by a former critic of the structural dependency of Latin America on the economies of the United States and Western Europe have not moved forward unchallenged. The

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LATIN AMERICAN PERSPECTIVES, Issue 115, Vol. 27 No. 6, November 2000 5-8
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Movimento Sem Terra (Landless Peasants' Movement) has instigated an unprecedented groundswell of grassroots activism that has called into question the lethargic land redistribution measures of the federal government and highlighted the plight of the rural poor. Many labor unions, the Workers' party, and other forces on the left have continued to criticize the most devastating policies of the current government. However, the lack of a coherent alternative to this set of neoliberal measures has taken much of the steam out of the urban labor movement, known for its militant actions against the policies of the IMF during the "lost decade" of the 1980s. Mobilizations by millions similar to those for direct elections in the early 1980s and in favor of the impeachment of former president Fernando Collor in the 1990s have not yet materialized.

In no small part this is due to the fact that Brazilian opponents of the World Trade Organization's global economic plans are still reeling from a series of poundings. They suffered a double pounding at the polling booths that saw two victory rounds for Fernando Henrique Cardoso against his challenger, Luis Ignácio (Lula) da Silva, the former labor leader and three-time presidential candidate of the left. Many trade-union officials have been seduced into forging alliances with industrialists in order to save jobs as their membership bases slip because of layoffs, restructuring of the economy, and loss of plants to other regions of the country where labor militancy is weaker. And despite setbacks in Congress, the center-right plan to reduce government spending by slashing government programs and pensions continues unabated.

This issue analyzes the current state of affairs in Brazil as the contest over the nation's future pits against each other the same forces that clashed in the "Battle of Seattle," namely, labor, student, and grassroots organizations ranging from feminist groups to environmental nongovernmental organizations on one side and international capital and its political allies on the other. Most of the contributors to this issue are Brazilian scholars who present penetrating critical assessments of the impact of neoliberal policies on their national reality. Ricardo Antunes leads off with an assessment of the capitalist restructuring of the Brazilian economy and its impact on the labor movement. Antunes approaches the question by first examining the shifts in production in the advanced capitalist countries of North America and Europe over the past two decades. Service-oriented economies rely more and more on part-time or contracted-out labor. Advances in technology, rather than reducing the work week, have actually increased the number of hours employees dedicate to their jobs. Unemployment has become a structural part of many economies as capital ferociously seeks favorable foreign bases for producing goods unshackled by environmental, labor, and government restrictions.

Production has become increasingly multinational, and therefore strategies for checking the excesses of exploitation require international solutions.

This is the challenge Antunes makes to the Brazilian labor movement that was rebuilt in the mobilizations against the economic policies of the military regime of 1964-1985. The intransigent prosocialist militancy of many of its leaders has waned in recent years. Some have made peace with industrialists, the government, and neoliberal policies, abandoning the task of elaborating alternative economic proposals to the existing patterns of capitalist development. Without resorting to textbook recipes, Antunes offers a series of proposals to the trade-union movement on how it might regenerate activism and reverse current trends.

Most sectors of the Brazilian bourgeoisie back the ideological underpinnings of the World Trade Organization's emphasis on unshackled free trade. They have also supported the Brazilian government's efforts to promote regional economic integration in the Southern Cone through the MERCOSUR. Héctor Alimonda examines this process and its relationship to democratic consolidation in Brazil. Participation in the MERCOSUR has not engendered a national political debate about the efficacy or desirability of this regional common market. Nevertheless, national labor federations, small farmers' associations, and environmental organizations have joined the negotiations to ensure that they are not left by the wayside as governments of the area revamp trade policies. In the process they have managed to interject labor protections and other measures into the agreements that in turn broaden the arenas of action for critics of the status quo. Just as Antunes points out that increased global economic integration offers the possibility of concerted actions by political and labor activists across borders, so Alimonda foresees that the MERCOSUR will generate a regional democratic public space that will provide conditions for transnational collective action.

Nouveau-riche tycoons from Seattle have produced technology that has accelerated the speed at which capital flows worldwide. Computers have had a particularly transformative effect on the banking industry. Nise Jinkings focuses on the restructuring of the financial sector and its impact on bank workers, who have had a tradition of militancy within the Brazilian labor movement. Smart cards and automatic teller machines have retired thousands of bank employees in recent years as neoliberal reforms demand a "rationalization" of the industry to increase production while lowering costs. This has meant a 100 percent drop in the number of bank workers over the past decade and has had profound effects on the lives of those still clinging to their jobs. Jinkings points out the physical and mental fallout from this industrywide restructuring. New-style banking combines the convenience of the automatic teller machine with pressure on the remaining employees to promote the sale

of new services and products. Like the two previous contributors, Jinkings concludes by suggesting some alternative strategies for the labor movement to respond to this new reality.

In order to remain in power for a second term and carry his neoliberal program to conclusion, Fernando Henrique Cardoso maneuvered the revision of a constitutional tradition dating back to the founding of the republic in 1889 that barred the president from succeeding himself in office. He then campaigned his way back to Brasília by pointing to the fact that his government had kept a cap on inflation. He was generously assisted in his public relations efforts by the Globo Network, an omnipotent media conglomerate that had earlier chosen Fernando Collor from the pack of candidates in 1989 and promoted him into the presidency. Without resorting to conspiracy theories, Luis Felipe Miguel analyzes how Globo's television news coverage, which garners the lion's share of the national audience, assisted Cardoso's reelection. After Brazil's devastating defeat by France in the World Cup match, Globo's news broadcasts sought to portray the current administration's handling of national problems in an optimistic light. Thus, for example, reporting on one of the worst Northeastern droughts of the century disappeared from the TV screen because it revealed the incompetence and callous indifference of the government's response to this tragedy. Miguel's meticulous dissection of news program content confirms a widely held notion that the TV Globo magnate Roberto Marinho is Brazil's present-day kingmaker.

A key component of the "selling of the President" in 1998 was the message that things were getting better in Brazil. Just as Ronald Reagan's economic policies promised the possibility of trickled-down prosperity, so Cardoso argued that the structural reforms associated with his neoliberal policies would ultimately benefit *o povo* (the people). While a small slice of the Brazilian population may be gaining ground under this version of untamed capitalism, this is not the case for those traditionally at the lower end of the socioeconomic scale. Peggy A. Lovell amply documents this reality in her article studying employment patterns in Brazil through the optic of race and gender. It will come as no surprise to most readers of *Latin American Perspectives* that it is black women who remain at the absolute bottom of the pyramid. Lovell analyzes census and survey data from the 1980s and 1990s in Brazil's largest industrial center to conclude that, while the transition to democracy in the 1980s may have promoted more visibility for issues related to race and gender, deep racial and gender cleavages remain in São Paulo's urban labor market.