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Brazil's downward slide

In a bid to drive down debt, President Temer is oppressing the most vulnerable

Brazil, once the poster child for development, has got some pretty bad press in recent months. Anti-austerity protests have turned into full-on battles with the police; the man who brought the Olympics to Rio is being questioned on corruption allegations, and the current President Michel Temer, along with much of the political establishment, stands accused of corruption. It's a far cry from the glory days of a few years ago, when *The Economist* predicted Brazil was 'taking off' and the IMF hailed the country a 'leading actor on the economic stage'.

Whatever the truth behind corruption allegations directed against former Brazilian president, Luis Inacio Lula da Silva, he and his successor Dilma Rousseff - a fellow socialist - led a Brazil that became a model for development. Between Lula's inauguration in 2003 and Rousseff's impeachment in 2016, Brazil saw a huge reduction in its poverty rate, attributed in part to its 'Bolsa Familia' programme. The scheme worked by giving extra cash to poor families, on condition that their children went to school and took part in government vaccination programmes. A huge university-building programme saw enrolments in tertiary education increase 90 per cent between 2003 and 2010. Literacy rose to its highest level.

Around 20 million Brazilians were lifted out of poverty between 2002 and 2010. The minimum wage also increased from 200 Brazilian reais in 2003 to 880 reais in 2016. This turned millions of poor people into consumers with cash to spend, expanding the economy further. The government had created a development policy which put the domestic market at the centre.

Alongside an ambitious domestic agenda, the country took on a more active role in world affairs, joining international forums such as the WTO, G20 and BRICS. Its trade patterns also changed significantly: in 2009, non-OECD countries accounted for 57 per cent of Brazilian exports, compared with just 38.5 per cent in 2002.

However, a year after the impeachment that brought an end to Dilma Rousseff's presidency, Brazil is slipping back into poverty and misrule. The changes that were achieved between 2003 and 2015 are being rolled back by a marionette president who primarily serves financiers and the landowning elite.

President Michel Temer was not elected and has an approval rating of less than nine per cent. That hasn't stopped him from proposing a string of regressive policies, including softening the definition of slavery, rolling back rules governing indigenous land, and selling off government assets. A major overhaul of the country's labour law – to be implemented by November – will allow agreements negotiated between employers and workers on a range of issues to override current legislation. The bill will make it easier to replace permanent employees, such as teachers, with cheaper, temporary workers.

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A commission of 20 civil society organisations has predicted Brazil will soon return to the UN World Food Programme Hunger Map, which it left in 2014. Neither is the country likely to meet its sustainable development goals. Unemployment is stuck at 14 per cent, and the austerity politics of the last year – including the expulsion of 1.2 million families from Bolsa Familia – threatens to bring more people onto the streets. Temer has announced a 20-year freeze on social spending known as 'PEC 55' – a ghastly policy that will deprive an entire generation of a decent education and social protection.

Already, state-run pharmacies offering affordable medicine have shut down. Ten entire ministries, including the department dealing with land distribution, have closed. What is more, huge swathes of the Amazon are being opened up for mining and sold to domestic companies and multinationals. Temer claims these draconian measures will enable him to slash public debt, which reached almost 70 per cent of GDP in 2016. Whether he sticks around to see them through is another question. The president and several members of congress are currently embroiled in a corruption scandal. He's also been accused of bribery, perverting the cause of justice and activity in a criminal organisation.

Looking to the upcoming presidential elections in 2018, the only hopeful scenario for the left-wing Workers' Party is a return to Lula, who has vowed to appeal his conviction on corruption charges and run again for

the presidency. The latest polls indicate Lula, who is still Brazil's most popular politician, would receive 30 per cent of the votes, with right-wing populist Jair Bolsonaro trailing in second place. Lula is currently appealing a corruption conviction that would bar him from running for president in 2018. He faces four other corruption trials. The Workers' Party disputes the charges, saying they are aimed at distracting attention from allegations against other public figures.



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