

Dilma Rousseff's Victory

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The American “mainstream” media have tried to play down Dilma Rousseff’s victory in the Presidential election in Brazil by emphasizing the “narrowness” of her victory-margin, even though they would never be grudging in their acknowledgement of Bush Jr.’s victory which was by a far narrower margin. “Narrowness” becomes a consideration for them only when the victor belongs to the Left.

But Dilma Rousseff’s victory is of great significance for at least four reasons: first, it is a triumph of an agenda [of fiscal “transfers” to the poor](#) against an agenda of fiscal “transfers” to the rich, which is what her rival Aécio Neves, a favourite of the corporates who had campaigned on the plank of ushering in “growth” (reminiscent of Narendra Modi’s slogan of “development”), had de facto stood for.

Secondly, the voting in the election was along clear class lines, with the working poor, who have gained from fiscal “transfers” in the past, voting solidly for Dilma Rousseff, as against the prosperous and middle class segments of the population, who expressed a preference for Neves.

In short, Dilma Rousseff’s victory represents an assertion of class power by the working poor in favour of a progressive economic agenda. It rebuts the view, assiduously promoted by the corporate spokesmen, that not only is there “no alternative” to a pro-corporate agenda in today’s world, but that even the working poor prefer such an agenda since it brings “development” which ultimately benefits them. (Their “aspirational gap”, to use the currently fashionable jargon of the Indian media, gets filled). The election outcome in Brazil shows that the working poor do not buy such myths; they actually know what is what.

Thirdly, coming on the heels of Evo Morales’ thumping victory in the recently held Bolivian elections, it keeps the continent firmly on the progressive trajectory which it has been following for some time. To be sure, Brazil’s economic policies have not been as far-reaching as those of Bolivia or Venezuela or Ecuador (not to mention Cuba), but the policy of “transfers” to the poor which the Lula government had initiated and which Dilma Rousseff has continued, has lifted millions out of the dire poverty which had been their lot for decades.

And fourthly, the fact that the largest country of Latin America with a population of over two hundred million has persisted in rejecting an outright neo-liberal agenda, even after twelve years of the Workers’ Party being in power (which, according to the psephology pundits usually found on our TV channels, should have given rise to something called an “anti-incumbency factor”), shows that an elected government committed to a pro-poor agenda can make a difference even in the current era of neo-liberalism.

One should not however conclude from it that neo-liberalism can put up with equanimity with such an improvement in the conditions of the poor, effected by the government of a workers’ party; that class struggle, revolution, and the need for socialism to lift the poor out of their miserable lives, have all become redundant.

What we see in Brazil is an unfolding of class struggle not a negation of it. Electoral politics is not an arena separate from class struggle, an arena anesthetized from class struggle, an arena to be shunned by those engaged in class struggle; on the contrary, it too is permeated by class struggle. Indeed all aspects of social life are permeated by class struggle, whence it follows that the corporate-financial elite of Brazil will continue to make every attempt to roll back the gains of the working poor (just as the corporate-financial elite in India is attempting to [roll back the MGNREGA](#), through the Modi government which it supports). Its attempt to roll back the Lula-Dilma measures of “transfers” to the poor by supporting Neves as the Presidential candidate, may have failed in the recent election, but it would persist in this attempt and deploy a myriad other weapons, quite apart from electoral politics, to achieve success.

This point, namely the relation between the struggle for “reforms” and the transcendence of the system, is so little understood that some discussion of it is in order here. Many belonging to the ultra-Left see the concessions that the working poor get under capitalism as a deliberate ploy of the system to enfeeble their struggle, to co-opt them into conformism and silence; and hence they see any struggle for obtaining such concessions, such as for fiscal “transfers” in Brazil (or for employment under the MGNREGA in India), as “reformism” that plays into the hands of the ruling class, that serves ultimately to strengthen the system, rather than undermining it in the struggle for socialism.

There is paradoxically a remarkable identity here between the ultra-Left and the social democratic positions: both believe that concessions made by capitalism constitute permanent gains for the working poor; the only difference between them is that the former pooh-poohs these gains as being inconsequential or even counterproductive (from a revolutionary perspective), while the latter parades it as a triumph. What both perceptions miss is that capitalism never makes concessions voluntarily, as a “planned” response to stifle popular struggles. Any concession it makes is necessarily forced out of it; and even if it is forced to make the concession at a certain point of time, it is forever on the look-out for undoing it at the earliest opportunity.

It is this which entails that the wresting of concessions, and the defence of whatever concessions have been wrested from the system, necessitate engaging in class struggle. And what is more, the intensity of class struggle too must increase over time because the “spontaneity” of the system, leading to centralization of capital, i.e. the formation of bigger and bigger blocks of capital, also keeps increasing “spontaneously” the effectiveness of the resistance from capital to the continuity of such concessions. The weapons that the system employs in this struggle in other words keep getting more and more powerful over time.

In addition, crises of the system also become weapons in the hands of capital for undoing the gains of the working class. Indeed in the present context ironically, an extremely powerful weapon against the “transfers” to the poor effected by Lula and Dilma, which is obviously not deployed in any “planned” manner, has been the unleashing of a host of economic difficulties for Brazil, as a consequence of its being linked to a world capitalist economy that is in the throes of a crisis.

The world capitalist crisis has affected Brazil just as it has affected India and other “emerging economies”. And every crisis unleashed by such linkage with the world capitalist economy is used ironically to further strengthen this linkage and further

promote the neo-liberal agenda, which is what Neves' economic programme amounted to.

The slowing down of growth, a result *inter alia* of the crisis of the world capitalist economy, is used as an occasion for promoting the argument that the "state of confidence", the "animal spirits" of the capitalists, needs to be boosted, as a means of reviving growth. And for this, it is suggested, the rights of labour should be curbed, the expenditure for the poor should be curtailed, greater "incentives" should be provided to the capitalists, the entry of direct foreign investment into the economy should be made even "easier", and so on, all of which entail a further submergence of the economy in the mire of neo-liberal policies.

Likewise, the "emerging economies" have had some support for their balance of payments in the midst of the world capitalist crisis, which has adversely affected their exports, because of the policy of "quantitative easing" of the Federal Reserve Board (the equivalent of the central bank) of the U.S. It has kept buying long term government bonds and put dollars into the economy in a bid to keep the long term interest rates as low as possible, so that the economy could get stimulated through larger investment. While the revival of investment, despite such "quantitative easing" has been exceedingly limited, these dollars have migrated abroad and thereby helped to sustain the balance of payments of other economies, especially the "emerging economies" like Brazil and India. When "quantitative easing" comes to an end, even the IMF expects that the currencies of these economies will be subject to enormous pressure to move down. This in turn will exacerbate their domestic inflation and put pressure on them to follow "tight money" policies and fiscal "austerity" for enticing capital inflows to sustain their currencies.

In short, as long as they remain linked to the world economy in the manner they have been, the ongoing capitalist crisis will force them to strengthen this linkage (and hence become more vulnerable), and appease international finance capital by cutting back on welfare programmes, such as what the Workers' Party government in Brazil has been running.

Dilma Rousseff's victory therefore does not mean the automatic continuance of the scheme of "transfers" to the working poor. Intensified class struggle will be required to sustain such a programme, whose object would be to get out of the neo-liberal regime by putting in place capital controls, and even trade controls. Since there will be transitional difficulties for an economy that is attempting to get out of the neo-liberal regime, there will be opposition to such a move; and the corporate-financial elite will use the media controlled by it to whip up passions against the government. In fact even before the Presidential elections actually took place, there was a stock market slide in Brazil owing to the mere news that Dilma stood a chance of retaining her Presidency. Such opposition, including in the form of capital flight, will only increase.

The degree to which the working poor will be activated and mobilized to stand against such moves of capital, the degree to which the government itself will remain committed to its programme of "transfers" despite the hurdles it faces, in short the manner in which the class struggle will play itself out in Brazil remains to be seen. But while hoping that the scales will keep getting tilted in favour of the working

people, one can derive some satisfaction from the fact that Dilma's victory represents an important step in the right direction.