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The construction of the Brazilian neoliberal society: what is the place of democracy?

A construção da sociedade neoliberal brasileira: qual o lugar da democracia?

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Abstract

The paper aims to analyze how democracy is structured within the neoliberal capitalist system in the Brazilian context. While neoliberalism requires market liberalization, reduction of the social state, and financialization of life, democracy presupposes political and economic equality, public apparatus, and inclusion; thus, it is necessary to discuss this conflicting relationship. The first session of the work discusses the economic, political, and social system of neoliberalism, understanding its requirements and characteristics, as opposed to democratic pretensions, to enter into Brazilian particularities. The second topic analyzes the construction of a neoliberal society in the country, establishing the investigation through the clash between social development and neoliberal advancement in Brazil. Finally, it examines the presence of neoliberal capitalism from the *Partido dos Trabalhadores* (PT) governments to the first two years of the Bolsonaro government, questioning the place of democracy. For this, the research used the deductive approach method and type of bibliographical and documentary research with a qualitative approach. In conclusion, we highlight the obstacle that neoliberalism imposes to realize a substantial, egalitarian, and plural democracy, marginalizing its power and restricting it to the electoral sphere.

Keywords: Democracy; Neoliberal capitalism; Brazil; Financialization; Social justice.

Resumo

O artigo visa analisar de que modo a democracia é estruturada no sistema capitalista neoliberal no contexto brasileiro. Enquanto o neoliberalismo requer liberalização dos mercados, redução do estado social e financeirização da vida, a democracia pressupõe igualdade política e econômica, aparato público e inclusão, desse modo, é necessário discutir sobre essa relação conflituosa. A primeira sessão do trabalho discute o sistema econômico, político e social do neoliberalismo, compreendendo suas exigências e características, contrapostas às pretensões democráticas, a fim de adentrar nas particularidades brasileiras. O segundo tópico analisa a construção da sociedade neoliberal, estabelecendo a investigação por meio do embate entre social-desenvolvimento e avanço neoliberal no Brasil. Por fim, examina a presença do capitalismo neoliberal desde os governos do Partido dos Trabalhadores (PT) até os dois primeiros anos de governo Bolsonaro, questionando o lugar da democracia. Para isso, a pesquisa utilizou o método de abordagem dedutivo e tipo de pesquisa bibliográfica e



documental, com abordagem qualitativa. Como conclusão, destaca-se o obstáculo que o neoliberalismo impõe à concretização de uma democracia substancial, igualitária e plural no Brasil, marginalizando seu poder e restringindo-a à esfera eleitoral.

Palavras-chave: Democracia; Capitalismo neoliberal; Brasil; Financeirização; Justiça social.



Introduction

The difficulty of reconciling capitalism and democracy has been addressed by various researchers concerned about the survival of the democratic principle in the capitalist world, especially in the era of neoliberal capitalism. If democracy is the space of political equality and the capitalist system is based on creating winners and losers, the oxymoron of democratic capitalism is only possible through strong and effective regulation, capable of compensating for the inequalities inherent in capitalism through social justice (BROWN, 2019, p. 33; STREECK, 2018, p. 103-108).

The term "neoliberalism" was first coined at the Walter Lippman Colloquium in 1938, albeit without any defining technical precision. From then on, his discussions broke with the classical liberalism of the 19th century, aiming to change the basic assumptions of this system to deal with socialism. In this way, neoliberalism is not a continuation of *laissez-faire* but a re-founder born out of the economic, political, and doctrinal crisis surrounding liberalism (DARDOT; LAVAL, 2016, p. 71-72).

For Harvey, neoliberalism is a theory of political-economic practices that calls for liberalization in the governmental and individual spheres based on freedoms, founding an institutional structure that emphasizes private property, free markets, and free trade. The role of the state becomes that of protector of these practices, increasing its dominance in police, defense, and legal structures to guarantee individual property rights, ensuring the development of the market (HARVEY, 2014, p. 12-13).

Saad Filho and Morais (2018, p. 96-97) conceive of neoliberalism as a "dominant system of accumulation", which has four characteristics: financialization as a guideline for production, ideology, and the state, which is measured by efficiency, productivity, competition, and flexibility; the globalization of production; the predominance of foreign capital in national relations; and the establishment of macroeconomic policies aimed at organizing interest rates. These combinations only result in increased forms of exploitation around the world, which are more violent in southern countries such as Brazil.

Although it is important to understand neoliberalism in its economic and political aspects, Dardot and Laval (2016, p. 17-18), influenced by Foucault, argue that it must also be understood as a normative system that shapes social relations based on the logic of capital, radiating through all spheres of life.



The neoliberal dynamic based on financial capital and economic openness, however, led to the crisis of the fiscal state and the transition to an indebted state, now significantly dependent on financial investments to sustain itself (STREECK, 2018, p. 125-128). As the new format of nation-states becomes dependent on the financial market, the latter demands an environment without the interference of moral reasons (social justice), on the one hand, and, on the other, strong state action in favor of market justice - operating according to the criterion of individual limit-productivity, evaluated by the market itself and maintaining inequalities.

At this juncture, democracy is constantly being tested, including its place within neoliberal societies, marked by conservatism, hierarchies, exploitation, and human rights violations in the name of maintaining the neoliberal capitalist cycle. The moment, therefore, reinforces arguments that the time is post-democracy (DARDOT; LAVAL, 2016, p. 379-384).

The Brazilian case is typical of a colonized country with an authoritarian past and a dependent economy, marked by the democratic transition process of the 70s and 80s. Given this, the analysis of the development of neoliberalism in Brazil cannot ignore these specificities, nor can it be investigated by applying studies focused on the North American and European scenarios to the national context.

The context of re-democratization in Brazil was marked by (i) an elite interested in maintaining the existing structure of domination, (ii) a bourgeoisie with economic difficulties divided into two groups, one aimed at renewing industrialization through import substitution (ISI) and the other with a neoliberal logic, which saw the restoration of democracy as necessary for neoliberalism; (iii) a military government interested in its amnesty and in maintaining its role as guardian of national security; (iv) social movements, mainly student and labor movements. In this context, the logic of the gradual political opening, coming from the top echelons of the military and political elites, was not aimed at restoring democracy but at building a stable base that would allow the transfer of power to conservative civilian leaders who were trustworthy to the military (SAAD FILHO; MORAIS, 2018, p. 73-80).

On the one hand, the political pact around the New Republic centered on guaranteeing political freedoms and recognizing citizenship for the poor and workers while receiving marginal economic gains. On the other hand, the system of inequalities, domination, and economic hegemony of the elites was maintained, and the protection of



the military from accusations of human rights violations was guaranteed (SAAD FILHO; MORAIS, 2018, p. 79). From the point of view of the political system, the preservation of conservatism and inequality was successively guaranteed by conservative political elites.

On the other hand, it is undeniable that the social-developmental embryo was introduced into the constitutional text through programmatic norms and social rights of a transformative nature, committed to an idea of social democracy - demonstrating that the social movements also managed to imbricate their interests in the 1988 constitution, albeit in a disconnected way (NOBRE, 2013, 50-51). The promise of social justice was then more vivid after the re-democratization.

The transition to democracy (1975-1988) was, however, followed by the transition to neoliberalism (1988-1999), based on an exclusionary logic of financialization, income concentration, the marginalization of certain social segments, and the deterioration of living and working conditions. With the opening up of the market, privatizations, and incentives for consumption, a specific form of society was built and maintained in Brazil, even during more progressive governments: a society with a neoliberal matrix based on new and old conservatism on the reproduction of privileges and hierarchies; as well as on the logic of meritocratic social ascension (SAAD FILHO; MORAIS, 2018, p. 117-130).

The near simultaneity between the democratic and neoliberal transition processes inevitably raises questions about the validity of the democratic principle as an inclusive and egalitarian way of life in Brazil. With re-democratization, a palatable environment was created for neoliberalism, but what place does democracy have in this context? What level of democracy is acceptable within Brazil's neoliberal society? What limits does neoliberalism impose on democracy in Brazil?

This article analyzes the form of democracy that Brazil's neoliberal rationality has tolerated. To do this, we used the deductive method of investigation and the type of research as bibliographical and documentary, with a qualitative approach, to understand, within the framework of the construction of Brazilian neoliberal society, to what extent democracy is tolerated and inserted, also considering a comparative evaluation between governments based on the main public policies developed.

The paper is structured in three sections. First, we sought to analyze the correlation between capitalism and democracy, especially in the era of neoliberalism, on a macro and more global level to understand the foundations of the neoliberal system.



Next, we analyze how neoliberal society was built in Brazil, in parallel with a possible project of social democracy, to demonstrate the relationship of tension established between neoliberal capitalism and the democratic regime in the context of a Latin American country with a dependent economy. In the end, we will evaluate the left-wing progressivism of the Workers' Party (PT) governments up to the repercussions of the first two years of the Bolsonaro administration, demonstrating what prevailed in the clash between the exclusionary logic of neoliberalism and the inclusive character of the social-developmental project.

1. Neoliberal capitalism and democracy: an (im)possible balance

Neoliberal capitalism needs to be understood beyond its economic and financial aspects but also through its effects on politics, society, culture, and the environment (FRASER; JAEGGI, 2020, p. 13-14). Faced with this breadth, especially in its neoliberal version, the place of democracy is being questioned. This topic aims to analyze this relationship on a global level, refining the ideas to enter the Brazilian case.

Analyzing Brazilian democracy in the neoliberal scenario requires an understanding of the historical context following the dictatorship. Until 1980, the country faced a military regime and lived through a slow and fragile democratic transition. Even after this period, even with the return of power to civilians, the promulgation of the 1988 Constitution, and the alternations of power from 1989 onwards, Brazil's democratic alignment was broken with the *impeachment of Dilma Rousseff* in 2016 and, from then on, with severe restrictions and constraints, by the interests of financial capital (MIGUEL, 2022, p. 7).

Miguel (2022, p. 9) reflects that we can only understand the complexity and depth of what democracy means when we also understand equality and inequality critically. To understand the democratic scenario as synonymous with the power of a people seen as homogeneous and undifferentiated is to deny space for reflection on the inequalities that plague the social world, especially in peripheral capitalist countries such as Brazil. Thus, for the author, talking about democracy necessarily means breaking with the various inequalities - income, schooling, class, gender, ethnicity, race - that dominate social circles, even if they are no longer expressed in the letter of the law.



This is the main axis of questioning about the (in)compatibility between democracy and neoliberal financialized capitalism, which has inequality as its rule. There is no way to talk about democracy without considering capitalism and the formation of a neoliberal capitalist state that is formed by the naturalization of asymmetries (MIGUEL, 2022, p. 11).

In this way, financialized capitalism requires political regulation in the economy so that the market prevails and is immunized from egalitarian social and political demands, neutralizing them (STREECK, 2018, p. 104-105; MIGUEL, 2022, p. 43). Thus, neoliberalism does not demand the absence of state intervention in the economic sphere as idealized in classical liberalism. The neoliberal market should no longer be understood as where goods circulate naturally and are governed by natural laws that tend towards equilibrium, going against the ideas of *laissez-faire*. It is a process that combines political intervention, i.e., the state, as well as the psychological motivations and specific skills of the subject (DARDOT; LAVAL, 2016, p. 69).

The neoliberal philosopher and economist Friedrich Hayek, a member of the Austrian School, argued that one of the main pillars of the market order should be state intervention through legal aid, which would change social and democratic notions of rights. This would lead to a society of freedoms and individual rights, prioritizing and protecting private property, markets, and free trade, removing the entire social apparatus, seen as a pathology and anomaly. This project, therefore, had to be designed even if democracy was destroyed since, for the author, the only admissible form of democracy is a limited one that does not hinder market freedoms and private property (HAYEK, 1981, n.p; DARDOT; LAVAL, 2016, p. 183-185).

From this, it can be understood that democracy is only accepted if it doesn't disrupt the logic of production and the concentration of income, wealth, and property. On the one hand, it serves as a mere instrument of electoral choice with the bias of the normal functioning of democratic institutions. On the other hand, it is emptied of its purpose of protecting social and collective rights when the state and its institutions break with this political commitment, catering to the market and depoliticizing the masses.

The capitalist democracy in the rich countries that was balanced until the 1970s gave way to these arrangements, immunizing the economy against the foundations of mass democracy and legitimizing greater market liberalization to the detriment of the welfare state. On this basis, the relationship between capitalism and democracy, far from



finding stability over time, has shown a strong tension, which becomes even more intense with the neoliberal advance (STREECK, 2018, p. 45-49).

This "balance" was only possible in the rich countries and was the result of the exploitation of the countries of the South through unequal international exchanges, the reduction in the value of labor power, and the over-exploitation of blacks and traditional peoples so that capital could circulate towards the rich countries and "buy peace" until the mid-1970s. Thus, in Brazil and other peripheral countries, "instead of electoral competition, capitalism in the periphery opted for less or more veiled forms of authoritarianism. Or of democracy, when it existed, severely limited" (MIGUEL, 2022, p. 35).

The idea of "democratic capitalism" that emerged after the Second World War was accepted for a short and territorially selected period. In this sense, the political economy of "democratic capitalism" was based on the unlikely combination of two opposites, which Streeck calls "market justice" and "social justice". The first involves the distribution of production results according to the market's assessment of the individual performance of those involved. Social justice, on the other hand, takes into account the conceptions of equality, honesty, and reciprocity, understanding that everyone is entitled to a minimum standard of living, regardless of individual economic performance, as well as recognizing civil and human rights; policies that are applied with territorial, gender, race and class inequalities (STREECK, 2018, p. 104; MIGUEL, 2022, p. 35).

While "market justice" sees the demands of social justice as dangerous to the functioning of the market - as it ties economic results to moral parameters of equality. The principle of "social justice" sees the class struggle in the democratic regime as indispensable for correcting distributive inequalities, centering the debate in the political sphere based on the power relations that differentiate each person. Markets, on the other hand, see themselves as apolitical, so their distribution meets universal parameters, understanding people as abstract without considering the social, historical, and oppressive divides that accompany them. From the point of view of the formal rationality of the market, "social justice" is seen as a constant threat, as it can reach the state's power by the democratic majority and change how it works (STREECK, 2018, p. 104-106).

The defense of this "market justice" is gaining more and more supporters in neoliberal capitalism. Faced with the propaganda that the market is neither corrupt nor driven by hatred and prejudice, it relies on the distribution of income and wealth



according to objective, impartial, and general parameters and the freedom of employment contracts. Based on this, it is propagated, especially by economists, that the market is free of exploitation, as it treats everyone as equals with equal capacities to produce more and more to increase their earnings, removing the need for political and social intervention through democratic debate (STREECK, 2018, p. 104-106).

While people are free in the legal sphere, i.e., they are free to contract, they are also free to access the means of production and subsistence. Jessé Souza reflects that the capitalist interest from the end of the 19th century in the country was the establishment of free labor. With the formal abolition of slavery in 1888, the competitive market was established, with the central figure being the contract. Through this legal instrument, the basis of free labor was achieved, which in Brazil was built, above all, with the coffee culture (SOUZA, 2019, p. 78).

However, the idea of freedom for former slaves in Brazil is also accompanied by their intense precariousness. Freedom, only in the formal sphere, did not occur concomitantly with true democratic emancipation, given the absence of a project committed to real social transformation. The idea of being free for blacks in Brazil came in line with a destiny of poverty and marginalization under the financialized economy. Souza realizes that capitalist modernization is "euphemizing reality to deny forms of domination that tend to perpetuate themselves" (SOUZA, 2019, p. 85).

Neoliberal capitalism commodifies the values of life, uprooting social, economic, and political rights so that capital is the fair subject for allocating wealth. The equality and freedom promised by capitalism are structured in a universalizing way, ignoring the differences - in the areas of race, class, gender, ethnicity, and nationality - which can only be mitigated or reduced by state regulation to protect the minimum bases for the distribution of income and wealth, that is, within the democratic and non-market sphere (STREECK, 2018, p. 125).

Capitalist society compromises democratic participation and collective decision-making. By constituting capital as the subject of decisions on surplus production, collective power and the democratic political agenda are truncated, restricting collective power and autonomy, placing the social, political, legal, and economical apparatus under the control of the subjects and institutions of the neoliberal market - supported by the state - legitimizing the formal equality that sustains exploitation and the consequent economic inequality (FRASER; JAEGGI, 2020, p. 94-95).



In this sense, Miguel (2022, p. 42-43) understands that democracies in capitalist societies combine veto and vote. On the one hand, the vote represents the will of the majority - even though this may be influenced by dominant ideologies and the lack of legitimate information in forming their electoral decision. On the other hand, the veto represents the submission of the state to the interests of capital, even if this results in the restriction of rights to safeguard accumulation.

Although the vote is not completely shielded from the interests of capital, the veto has been winning these disputes in recent years due to the neoliberal dominance in the management and formation of state decisions. One of the main tools for materializing the veto is through the emptying of spaces for representation and listening to the popular voice, opening up spaces for technocratic decisions that do not see the inequalities and heterogeneity of the social body and decide based on the interests of the market and the universalizing logic of meritocracy (MIGUEL, 2022, p. 42-43).

Suppose we understand that one of the pillars of democracy is economic balance in society, as Sitaraman (2018, p. 536-541) points out. In that case, we realize that the neoliberal economy does not satisfy this condition, much less intends to. On this basis, democracy is structured and welcomed only by legitimizing, through democratic means, that the market achieves undemocratic results. For this reason, Streeck argues that we are experiencing the "process of de-democratization of capitalism through the de-economization of democracy", removing democratic power against capital exclusions (STREECK, 2018, p. 55).

In this sense, neoliberal capitalism requires a strong state that protects the market's interests, making it a necessary political instrument for reducing the social apparatus. This doesn't just happen at the institutional level of the state but also in the way that neoliberalism imposes the re-education of citizens so that they see themselves as responsible for producing more and more and sustaining their living costs without state aid. From this, austerity policies can be understood as the dismantling of the social sectors of education, health, and social security, the flexibilization of labor laws, and the degradation of union power, contrary to the political equality required by democracy (FRASER; JAEGLI, 2020, p. 123; STREECK, 2018, p. 104-105; BROWN, 2019, p. 53).

In this way, it is also necessary to analyze the aspects that undermine democracy in terms of the economic and political aspects outlined so far, considering that



neoliberalism is an economic system and a social, cultural, and political system that constructs subjectivities according to its logic.

Social justice is the only way to maintain democracy, which is always unfulfilled and even more eroded under neoliberal capitalism. Neoliberalism denies adequate distribution of political equality and creates subjects considered free and self-responsible, which justifies reducing the welfare state to commodify all spheres of life. The neoliberal dismantling of basic guarantees is seen when the existence of society/people is denied, when the welfare state is privatized, and when the discourse of freedoms is used to legitimize market interference (BROWN, 2019, p. 41-51).

Neoliberal theorists such as Von Mises and Hayek consider that the economic machine tends toward equilibrium when not disturbed by moralism or social and political interventions in a manner consistent with what has been argued so far, given their universalist and abstract position on the distribution of income and wealth. However, for this social conformation, the subjective logic of competition is formed (DARDOT; LAVAL, 2016, p. 284 and following).

In this way, the competence citizens require through psychological processes is the formation of the entrepreneurial subject. The subject is not one of exchange, concerned with equivalence, but one who sees an opportunity makes choices, and makes a profit. This process is not only in the economic sphere of maximizing the value undertaken but also in an "extra-economic" dimension of choosing good opportunities. Thus, the market, comprised of both strands, leads to the formation of the competitive, productive, strategic self, attentive and detached from the collective (DARDOT; LAVAL, 2016, p. 111 ff).

It is understood that each individual is a potential entrepreneur in all spheres of their life, making choices to maximize results. The subject of neoliberalism is the competitor, a discourse that standardizes everyone based on the assumptions of a company. The *neo-subject* is the one who fully engages in their professional activity so that they understand that they work for themselves and not for a company, so all their effort, dedication, and sacrifice go unchallenged, concealing the exploitation of the neoliberal capitalist market (DARDOT; LAVAL, 2016, p. 145 ff).

The individual understands himself as a "company of himself" when he is willing to act with the objectives of a company, which is always looking for profit, adaptability, and good opportunities. With this, the feeling of alienation is removed since the individual



is not acting for the company but for himself, even though he feeds the company. The contractual relationship and the need for bodies to be docile to work are no longer the means used, as the neoliberal subject breaks with these needs by being willing to get fully involved with their activity, increasingly strengthening their human capital, i.e., their property: the workforce (DARDOT; LAVAL, 2016, p. 145 ff).

On this basis, the individual sees himself as responsible for protecting and valuing his property; after all, he is no longer the proletarian with nothing. In this sense, he is molded to be open and strategic in making his choices, promoting his productivity and effectiveness, making him solely responsible for everything that happens to him. The neoliberal strategy is subjective training so that each subject sees themselves as responsible for their success and failure (DARDOT; LAVAL, 2016, p. 145 et seq.), consolidating the meritocratic idea that effort, differentiation, and productivity are the only and necessary paths to individual advancement, ignoring the differences of gender, race, ethnicity, nationality, and class as crucial points that do not put everyone on the same level without the support of material democracy.

Neoliberal hegemony destroys society and, with it, all the instruments of guarantees, public demands, and collective apparatuses that can question this exclusionary reality that produces domination, inequality, and oppression. The erasure of this scenario by neoliberalism confuses subjectivities and means that the social is no longer defended. Neoliberal rationality understands the social and its instruments as the tyranny of political correctness, which reconfigures the understanding of equality and inclusion (BROWN, 2019, p. 48-49).

This attack on the social is the means for a process of de-democratization due to market forces that legitimize the state being built against democracy, deepening inequalities, oppressions, and dominations, which are inherent to the capitalist system and frayed in neoliberalism (BROWN, 2019, p. 33-40)¹. Democracy requires political equality as a way of consolidating redistributive justice and proper recognition (FRASER, 2015, p. 240-242). This path to emancipation through democracy is tortuous in the face of neoliberal forces.

¹ On the subject see VERBICARO, Loiane Prado. Reflexões Acerca das Contradições entre Democracia e Neoliberalismo. *Revista de Direito Público (RDP): Dossiê "Direito ao Desenvolvimento, Estado Neoliberal e Políticas Públicas"*. Brasília, v. 18, jan/fev. 2021, pp. 23-51.



The democracy confronted and reduced by neoliberalism goes beyond the idea of minimal democracy or democracy restricted to the electoral sphere. Above all, it is substantially linked to the idea of political equality. Although we have not proposed a concept or a closed model of democracy for this work, we understand that democracy threatened by neoliberalism refers to all democratic aspects of the defense of social, economic, and political rights based on policies of equitable distribution, recognition, and representation of human rights and social groups in formal institutions equitably (BROWN, 2019, p. 68-79; FRASER, 2015, p. 240-242).

Wendy Brown analyzes that the democracy reduced by neoliberalism is the one that fights for social justice and the realization of social rights. In this way, the author argues that democracy requires a necessary link with the political to administer it as a government of the people and for the people. Democracy, from this point of view, is based on deliberation, contestation, and the exchange of inclusive values that guarantee equality, pluralism, secularism, and inclusion. Thus, political equality forms the basis of the democratic political regime, which focuses on social, economic, and cultural disparities to focus on and defend social justice (BROWN, 2019, p. 68-79).

Antunes (2000, p. 38) summarizes that the neoliberal recipe, which combines deregulation, flexibilization, outsourcing, and the deconstitutionalization of social rights, typical of the business world, is symptomatic of a societal logic where capital is important. The workforce is only expressive as an indispensable part of the reproduction of this capital because capital is unable to achieve its self-valorization on its own without using the human work that it makes precarious. Consequently, for neoliberalism, especially that applied in Latin American countries, which are socially destroying themselves to "integrate" into so-called globalization, it is expected and projected that living labor will be reduced, but not eliminated, just as it is possible to make it precarious and subjugate huge portions, but without extinguishing them.

For Miguel (2022, p. 8) "inequality is the limit of democracy in Brazil. Facing one increases the risk of losing the other." Democracy, when it doesn't problematize and structure itself by overturning inequalities, hierarchies and privileges, is at best a half democracy. Because of this, the crisis of Brazilian democracy is discussed from three perspectives typical of peripheral countries.

First, there is the economic element, which prevents the formation of a capitalist society that is not based on the overexploitation of labor, thus living with the extreme



vulnerability of the social body. Secondly, there is the symbolic component in which democracies in these countries are more easily destabilized since the instruments of protest and reversal by social sectors are simpler. Thirdly, there is the political element, in which the Brazilian bourgeoisie accommodates itself as a partner - albeit with reduced interference - of international capital, contributing nothing to a national project of democracy and equality (MIGUEL, 2022, p. 15).

To excel in democracy is to carry it under the mantle of equality - not just legal equality, but above all, equality of income, class, gender, ethnicity, and race - which puts the brakes on the interests of neoliberal capitalism. As a result, the democratic commitment in Brazil, as a Latin American country with a colonized and dictatorial past, is fragile. Over time, Brazilian democracy has seen moments of optimism, such as when the 1988 Constitution was promulgated, and periods of regression, such as the rise of Bolsonaro, as a far-right movement opposed to democratic compromise.

Leonardo Avritzer (2019, p. 21-48), for example, understands Brazilian democracy as a pendulum, as it "(...) alternates moments of strong democratic expansion with moments of democratic regression.". This is because, despite the conclusion of important political-democratic agreements, "(...) fundamental aspects of our power structure remain intact, such as an economic system permeated by political privileges, a judiciary that is impervious to democratic modernization (...)", as well as a military police system that prevents civil rights from being generalized and armed forces that "(...) have exchanged direct interference in politics for corporatism and some military projects that are not democratic...)", as well as a military police system that prevents the generalization of civil rights and armed forces that "(...) have exchanged direct interference in politics for corporatism and some military projects without any transparency" (AVRITZER, 2019, p. 22-23).

Certain actors in Brazil have an easily relativizable democratic commitment, which is located in the market and politics, in such a way that they can trigger anti-democratic movements, moving the pendulum of democracy in a regressive direction, when "they lose access to the state or to the extent that the state opens up towards political or economic actors considered undesirable" (AVRITZER, 2019, p. 23). In this context, the question must be asked: what is the (dis)balance between social justice and neoliberalism?



Given this, it is essential to discuss the neoliberal and democratic bases in the Brazilian context - although they have already been briefly explained in this topic - which have peculiarities about its political, social, and economic system to understand, taking into account the assumptions discussed in this section, the (in)compatibility between democracy and neoliberalism in Brazil.

2. Democratic transition and neoliberalism in Brazil: from transformation to accommodation in a neoliberal society

The Brazilian state structure is marked by patrimonialism, neoliberalism, and social-developmentalism, which establish a strong tension between them and express the distributive conflicts inherent in capitalist societies. To understand this structure, we first need a dose of history.

For Avritzer (2019, 81-88), patrimonialism in the country has a well-defined historical line, which is mainly based on centralizing contractors as the main economic partners, intertwining the state and private fields not only in productive areas but also in the structures of the National Bank for Economic and Social Development (BNDES), the Central Bank and public banks; as well as strengthening the Judiciary, maintaining the clientelist structure.

The patrimonialist structure dates back to the 1930s and is associated with the historical "appropriation of the Brazilian state by different state or parastatal groups". In the 1930s, the Vargas government began processes of state bureaucratic modernization and developmental organization based on clientelism. During this phase, the state acted as a regulator of economic activities and infrastructure builders. Juscelino Kubitschek continued the process of economic modernization with major structural works through non-transparent and economically significant contracts with contractors, demarcating patrimonialist actions (AVRITZER, 2019, p.77-80).

The patrimonialist and developmentalist order was maintained in Brazil under the system of accumulation of import substitution industrialization (ISI)², even when the

² The ISI was the second system of accumulation to be established in Brazil. The first was the primary-export boom that lasted from 1822 to 1930. Beginning with the Vargas government in the 1930s, import substitution



country succumbed to authoritarianism in 1964. Brazil's dictatorial period systematically reproduced inequalities, maintaining this order through military coercion. In this context, inflation functioned as an important mechanism for reproducing the historical unequal patterns of income distribution and guaranteeing rapid growth, which was required by the accumulation system of the time, the ISI (NOBRE, 2013, p. 31).

The rising inflation that began in 1970 led Brazil to reach an inflation rate of more than 300% in 1986, and it was still very difficult to stabilize the Brazilian economy. The hyper-inflationary scenario, associated with differential indexation of prices and incomes, also intensified the inequality situation, exacerbating distributive conflicts (SAAD FILHO; MORAIS, 2018, p. 64-69). The persistence of high inflation rates, resulting from international events (the two oil shocks and the Volcker shock) and the failure of stabilization plans, led to a scenario in which inflation no longer played its role as a central instrument in Brazil's arrangement of inequalities, but, on the contrary, threatened the country's survival and harmed the groups historically favored by this mechanism (NOBRE, 2013, p. 36-37).

When hyperinflation, coupled with foreign indebtedness and the resulting ISI crisis, ceased to generate accelerated growth, the authoritarian regime found it seriously difficult to sustain itself, and demands for democracy both took the form of forceful political and social demonstrations and gained ground among the elites, given that the military regime no longer secured their interests and economic hegemony (SAAD FILHO; MORAIS, 2018, p. 75-77).

In other words, there were three phenomena: hyperinflation, the crisis of the national development model (ISI), and the demand for re-democratization. In this way, the re-democratization process cannot be studied in isolation from the crisis of the accumulation system that was previously in place (national developmentalism in the logic of import substitution industrialization) since they influenced each other. Regarding this correlation, Saad Filho and Morais (2018, p. 22-23) observe two processes occurring almost simultaneously: the transition to democracy (1974-1988) - which followed the path of expanding citizenship and implementing a welfare state (1988-1989) - and the transition to neoliberalism - according to an exclusionary logic of financialization, concentration of income and deterioration of working conditions.

industrialization was established within a developmentalist state, and continued until the 1980s, when Brazil was co-opted by a new system of accumulation, neoliberalism (SAAD FILHO; MORAIS, 2018, p. 25).



As the pressure from the growing opposition to the military government grew, the military and the elites sought ways to control the re-democratization process and maintain their positions in the regime to come. Within this strategy, Geisel gave way to a slow, gradual, and controlled political opening, the aim of which was to "(...) build a stable base that would support the transfer of power to conservative civilian leaders that the military considered trustworthy", to establish a constitutional agreement that would maintain the Armed Forces as guardians of national security and guarantee them amnesty (SAAD FILHO; MORAIS, 2018, p. 75). No wonder the National Constituent Assembly was convened via an amendment to the authoritarian 1967 Constitution (EC 26/1985), which extended amnesty to the military.

At the time of the constitution, however, it became clear that the National Congress would not be able to isolate itself from social demands or systematically control labor completely. The organization of the Constituent Assembly's internal workings, along the lines established in its internal regulations³, allowed for broad mobilization and social participation in its first phase. Thanks to the openness to society's demands and Mário Covas' efforts to appoint parliamentarians more in line with his progressive political stance to the draft constitution, it was possible to incorporate certain substantively egalitarian demands into the draft constitution. The Constituent Congress, however, was composed of a conservative majority, which, at the time of the plenary vote, promoted a major political articulation ("centrão") to change the rules of procedure - to make it easier to modify the draft constitution - and to block provisions that were too progressive for the conservative political elite (BARBOSA, 2012, p. 222-226).

Even so, as Nobre (2013, p. 50-51) rightly states, the 1988 Constitution planted an embryo of social developmentalism. On the one hand, the mere fulfillment of electoral formalities and the alternation of political power do not correspond to the proposal of constitutional democracy inscribed in the 1988 Constitution, which has a transformative bias and supports a substantially democratic political life (NOBRE, 2013, p. 9-10). Thus, assessing adequate Brazilian constitutional health depends on at least two elements,

³ According to the rules of procedure, the constituent process would be divided into two stages. In the first phase, the constituents were divided into eight thematic committees, each of which was subdivided into three subcommittees. The work resulting from each committee would be sent to the Systematization Committee, which had the task of organizing and presenting the draft constitution. The second phase consisted of deliberating and voting in plenary on the project presented by the systematization committee (VIEIRA, 2018, p. 146).



namely constitutional stability and the performance of its social objectives (MAGALHÃES; FERREIRA, 2022, p. 2174). In this sense, the 1988 constitutional text was part of a substantial democratic concept committed to the realization of rights and the reduction of inequalities, albeit in an embryonic way and dependent on positive action by the state to implement these constitutional provisions.

On the other hand, the patrimonial tone was still present in the new constitutional regime through the strengthening of the institutions of the justice system, especially through the excess of benefits conferred on the legal corporation (power and functional autonomy), representing a new form of private appropriation of the state, the core of which has a constitutional provision (AVRITZER, 2019, p. 92-95). In a similar vein, Saad Filho and Morais (2018, p. 79-82) point out that the political pact that sustained the New Republic met the immediate demands of the left (it guaranteed broad political freedom, recognized the citizenship of the poor and the proletariat, as well as giving them marginal economic gains), but largely ignored the economic demands that had a redistributive tone.

The third element of the Brazilian state structure was introduced in our country under the discourse and justification of monetary stabilization, according to which overcoming both hyperinflation and Brazil's external economic vulnerability would only be possible by modernizing the economy and society according to the logic of neoliberalism, that is, by reducing state intervention in the economic spectrum - which would be done through economic liberalization (trade, finance, and international capital flows), extensive privatizations and reduced spending through tax and social security reforms. The political seal of neoliberalism in the Brazilian state, in turn, came with the 1989 presidential elections, when Fernando Collor's neoliberal program defeated the campaign of the left-wing candidate Luiz Inácio Lula da Silva. Although former president Collor was involved in fraud and corruption scandals, which led to his *impeachment*, his brief period in office, as well as that of his successor, Itamar Franco, was marked by a contractionary monetary policy aimed at controlling inflation, attracting foreign capital and generating exportable surpluses (SAAD FILHO; MORAIS, 2018, p. 101-103).

With the Real Plan came the country's economic opening up and the ideological rebar of neoliberalism, signifying an economic-political project with global dimensions. Under the neoliberal logic, Fernando Henrique Cardoso (FHC) presented the Real Plan as inevitable. To succeed in this discourse, he used inflation control - which enabled



significant popular support - and an alliance with the conservative political elite to implement the constitutional reforms necessary to make the stabilization project effective (NOBRE, 2013, p. 70-73).

It was after the Real Plan that authors such as Saad Filho and Morais (2018, p. 102-103) noted the consolidation of neoliberalism in Brazil as a new form of capital accumulation system, replacing the old import substitution industrialization (ISI). For these authors, the plan initiated in 1994 would have implemented a neoliberal economic strategy, providing the political and ideological substrates necessary for the political legitimization of neoliberalism, especially from the first term of Fernando Henrique Cardoso onwards.

The initial success of the Real Plan, due to the reduction of inflation and the implementation of neoliberalizing reforms, not only generated gains for the elites but also for the poor (SAAD FILHO; MORAIS, 2018, p. 103-109). It didn't take long, however, for the Real Plan to signal its collapse: changes in international capital flows, especially in 1997 and 1998, coupled with the weaknesses created by neoliberal reforms, led to the crisis of the stabilization plan initiated by Fernando Henrique Cardoso in 1994 (SAAD FILHO; MORAIS, 2018, p. 111-113). Still, after the transition to neoliberalism, "(...) the Brazilian economy remained unequal, dependent and poverty-generating (...)", with a *plus* of low growth, as its performance is limited by the threat of currency and balance of payments crises (SAAD FILHO; MORAIS, 2018, p. 128-132).

Despite the indications of economic liberalization and the discourses aligned with neoliberalism used when the Real Plan was introduced in Brazil, we cannot say that it was completely introduced and consolidated during the FHC period. As we have seen, the patrimonial aspect has been firmly established in Brazil since the Vargas era and has not been overcome even during Brazil's re-democratization. Similarly, the "neoliberal consensus" established by the FHC governments could not break with patrimonialism since the liberal commitment did not involve economic innovation or the regulation of property.

Furthermore, the privatizations of the period were not only articulated by the state but financed by it. During this period, the Brazilian state also played the role of controller of super companies, such as Petrobras and Eletrobrás, and financier of major projects, mediated by loans from the BNDES, as well as having a new structure of patrimonialism related to the expansion of the benefits of the legal corporation. In the



context of privatization, the energy, electricity, and oil sectors and almost all public banks remained under state control, so privatization only reached secondary areas of development policy (AVRITZER, 2019, p. 81-87).

In this way, it is possible to classify, together with Marcos Nobre (2013, p. 100), FHC's use of neoliberal ideology pragmatically and opportunistically since, in addition to the factors already mentioned, the government used instruments incompatible with neoliberal orthodoxy (fiscal irresponsibility and bailing out companies unable to compete in the international market). At the same time, it used the discourse of the inevitability of neoliberalism to support its stabilization project as unavoidable and, with it, an economic-political project to dismantle the national-developmental model (NOBRE, 2013, p. 69-74). As a result, the structure of the developmentalist state changed, but the elements of patrimonialism remained in place (AVRITZER, 2019, p. 85).

This created what Avritzer (2019, p. 88-89) calls the "Brazilian jabuticaba," characterized by "financial-liberal patrimonialism", with the Central Bank (BC) standing out as the core of liberal policymaking as "the financial nucleus that has been installed there represents a certain mixture of political capture and representation of the financial system's interests", so that members of the financial market hold relevant positions within the Central Bank and later return to their place of origin in the financial economy. This allows for a strictly neoliberal vision and action by the Central Bank (AVRITZER, 2019, p. 88-91)⁴.

Two transitions took place sequentially in Brazil after the fall of the military regime. Firstly, the re-democratization process followed a hitherto unprecedented structure, allowing broad popular participation in its first phase and significantly expanding the bill of rights. As a result of what Vieira (2018, p. 147-160) calls a maximizing commitment⁵, we have obtained a constitution with a transformative character, whose content establishes programmatic norms, transformative objectives, and the substantial guarantee of equality⁶, indicating the commitment to a substantial democracy, not just a

⁴ According to Avritzer (2019, p. 88-91), the occupation of important positions at the Central Bank by members of the financial market has consolidated a set of views on the Central Bank's performance, which involve understanding its mission as merely controlling inflation, without any commitment to economic growth; establishing a commitment outside institutional legality with the financial market, expressed mainly by the so-called 'extrajudicial liquidations'; and adopting a personalized and institutional relationship with the market.

⁵ See VIEIRA, Oscar Vilhena. *A batalha dos poderes: da transição democrática ao mal-estar constitucional*. São Paulo: Companhia das Letras, 2018.

⁶ See MAUÉS, Antônio Moreira. Fundamentos do Direito à Igualdade na Aplicação da Lei. *Revista de Estudos Constitucionais, Hermenêutica e Teoria do Direito*, v. 11, n. 1, p. 44-57, 2019.



formal one. On the other hand, immediately after democratization, an incipient neoliberalism took hold, with strong patrimonialist elements, which are not committed to reducing inequalities or giving effect to the transformative nature of the constitutional text. On the contrary, they organize themselves in opposition to inclusive and redistributive bets, seeing democracy as a mere instrument for political stabilization - with the unhindered alternation of governments via the electoral process.

In this environment, the social-democratic commitments of the 1988 Constitution become dependent on the direction adopted by the government of the day, which may move more or less in the direction of realizing the transformative constitutional objectives. This is possible because the structure of the Brazilian state has both patrimonial and neoliberal elements, as well as an embryonic social bias, demonstrating that Brazil's capitalist society is heterogeneous and unequal, finding channels of expression in the state structure and political system.

Although certain advances from the point of view of equality can be seen during left-wing governments (NOBRE, 2013, p. 101-104), subsequent political events associated with the international economic and financial crisis that had an impact on the Brazilian economy and the sequence of austerity measures implemented, may indicate that there is no place for democracy in Brazilian neoliberal society or that, otherwise, this place is minimalist and strictly formal. To assess this hypothesis, it is necessary to take stock of the political directions adopted by the more left-wing governments and those more inclined towards the neoliberal agenda, observing their respective impacts on (un)equality in Brazilian society.

3. From left-wing progressivism to Bolsonaro's advance: the permanent postponement of social democracy

Before specifically pointing out the directions implemented by governments of different ideological hues concerning the neoliberal agenda, it should be remembered that Brazilian history points to an expected consequence of economic crises: changes in the political spectrum. In recent years, this has been outlined through the profound ideological changes that have taken the country from a long cycle dominated by the



center-left to a far-right government responsible for rejecting many of the successful policies of its predecessors.

Lavinás (2020, online) explains this process from an economic perspective by describing how the various governments have managed the impact of the logic of financialization on the social protection system, which will be verified in this section from the Lula government to the Bolsonaro government.

Arretche argues that democracy alone does not promote the reduction of inequalities and the realization of equality since these advances require the adoption of public policies, which require constant decisions on the management of public spending and the management of the viability and applicability of policies. In this way, democracy establishes a minimum level that needs to be promoted and decided at the political level in favor of social policies to promote the reduction of inequalities in all its axes (ARRETCHE, 2015, p. 424).

Lula was elected in 2002 through an alliance between the unionized urban and rural working class, lower-ranking civil servants, parts of the informal workers' groups, the national bourgeoisie, oligarchs, and landowners from the poorest regions of the country. These different groups had in common losses as a result of deindustrialization, privatizations, and social regressions in wages and public services adopted by FHC, as shown in the previous topic (SAAD FILHO; MORAIS, 2018, p. 134-138).

This victory impacted the stability of the neoliberal path in the country led by the financialized elite, the traditional middle class, and informal workers, who gained from the economic opening policies. Faced with political and economic pressure from the neoliberal strata on the planning of the first Lula government, it signaled its adherence to neoliberalism by raising the primary surplus target in 2003, as agreed with the International Monetary Fund (IMF), from 3.75% of GDP to 4.25%, rising to 4.5% in 2004. In addition, he did nothing to intervene in the gradual increase in interest rates by the Central Bank, maintaining the political stability of his first government, as well as affirming a commitment to so-called neoliberal policies, ending any attempts at radical social change in the country (SAAD FILHO; MORAIS, 2018, p. 140-144).

On the other hand, and as a way of maintaining his popularity among the poorest, Lula expanded federal social assistance programs through Fome Zero - a food distribution policy - and, later, through Bolsa Família, as well as expanding social security,



social assistance and the granting of loans to a large mass of the population (SAAD FILHO; MORAIS, 2018, p. 143).

The second Lula administration was marked by what Saad Filho and Moraes call "developmental neoliberalism", which sustained gains in economic growth and GDP, in public and private investment, and promoted poverty reduction and income distribution. In this sense, the PT, surrounded by a domestic and international scenario of stability and economic growth, could reconcile the interests of capital with forceful social advances (SAAD FILHO; MORAIS, 2018, p. 150-165).

The major impact on reducing inequality in the country under the Lula government was the promotion of the minimum wage and social security as universalization and inclusion mechanisms for the poorest sections of society. Wages increased by 72% in real terms between 2005 and 2012, and employment jumped from 150,000 jobs, mostly in the formal sector, to 500,000 a year during the Lula governments, promoting a decline in unemployment and the stability of the minimum wage policy (SAAD FILHO; MORAIS, 2018, p. 159-164).

Between 2003 and 2012, wage income grew by 4.2% per year, resulting in an increase of 4.6% per year in *per capita* family income. This progress was even more noticeable in the poorest regions of the country, with a 42% increase in income in the Northeast compared to 16% in the Southeast, which expanded the population's support for the PT government in those regions, providing the universalization of democratic and equality policies in the most marginalized localities (SAAD FILHO; MORAIS, 2018, p. 159-164; ARRETCHE, 2015, p. 430-438).

This diagnosis is in line with Arretche's understanding that the combination of policies such as the Bolsa Família Program (PBF), the Continuous Cash Benefit (BPC), and the granting of pensions by the INSS have been fundamental in reducing the intense inequality between the poorest and the richest. This shows that those protected by the salary were the ones who benefited most from the PT's social policies in the two Lula governments (2003-2011), reflecting the decline from 41% to 15% in the number of the poorest population (SAAD FILHO; MORAIS, 2018, p. 165-168; ARRETCHE, 2015, p. 430-438).

From a gender and race perspective, there was an equalization between blacks and women who depended on the minimum wage between 2003 and 2012, given the 38% increase in women's income compared to 16% for men, as well as the 40% increase



for blacks compared to a 20% increase for whites. This shows that the poorest population is mostly made up of blacks and women and, therefore, equality between those dependent on the minimum wage (SAAD FILHO; MORAIS, 2018, p. 165-168; ARRETICHE, 2015, p. 438-442).

All these advances are not seen when we remove the protection of public wage and income transfer policies, since as the miserable population shrank, the population of the new poor grew. As a result, despite the social advances made in these areas, inequality was also maintained since these policies did not impact the effective redistribution of income. It did not alter the earnings of the richest during Lula's governments, preserving wealth inequality, as well as maintaining poorly paid and precarious jobs, even if they were formal. Thus, the initiatives of the Lula government affected the miserable population without changing the quality of life and redistribution, breaking with substantial democratic equality (SAAD FILHO; MORAIS, 2018, p. 168).

Lazzarato points out that the PT's governments were structured, on the one hand, by their "social development" attempt, which was established above all through the minimum wage and Bolsa Família policies. On the other hand, it directed the population towards consumption by granting credit to the poorest. This establishes a very superficial idea of social progress, but one that aligns with neoliberal assumptions through the formation of the indebted subject, which falls on the poorest population, exacerbating inequality. Instead of promoting a substantial poverty reduction, credit proposes "inclusion through finance" (LAZZARATO, 2019, p. 28-34).

The Workers' Party (PT) laid solid foundations for neoliberalism by replacing the social program and the redistribution of income by the state with an intense privatization of health, education, and security services, allocating these activities to the financialized banking sector. The fight against poverty took place, albeit with great benefits for the poorest, by stimulating consumption, promoting false inclusion, and deepening inequalities. In this sense, neoliberalism was established and cultivated by the PT, consolidating itself in an already open space, promoting the democratization of finance that devastates, above all, the poorest populations, promoting the private, to the detriment of democratic centrality and the public (LAZZARATO, 2019, p. 28-34; LAVINAS, 2017, p. 1-9).

The result is that the balance of public policies implemented has not equalized the demands of families - especially those who have ascended to the so-called middle



classes - for more well-being and socio-economic security. This is because, according to Lavinias (2018, online), it is precisely social policies to combat poverty - such as the Bolsa Família - and microcredit that are the main mechanisms for the financialization of poverty in the world since the benefit that should be thought of as assistance, ends up working as a guarantee of new and aggressive links with the financial sector.

Lavinias (2018, online) argues that the Workers' Party, after remaining in power for four consecutive elections, neglected the middle classes, which grew with the expansion of jobs earning up to two minimum wages but remained vulnerable due to the impossibility of not having all their demands met and, above all, due to the lack of public provisions in health and education that would enable them to enjoy the change in income they had achieved effectively.

The consequence of the social policies implemented by the PT governments, aimed at the democratization of finance, was the process of indebtedness of families who had to bear the costs of remaining in the middle classes, as well as the social fraying resulting from the maintenance of inequalities. What Cohn (2020, p. 141) explained as an integration of these classes via distributive policies occurred, without contesting the essence of socio-economic inequalities, through redistributive policies for economic assets.

In this sense, it is necessary to speak of the middle class in the plural since it is a diverse class with countless degrees of political and social sensitivity at its core. These middle classes felt aggrieved and are the object of study by sociologist Jessé Souza (2018, p. 95-107), who defines them as masses that are shaped by fear at the possibility of social disqualification, given that, in Brazil, disqualification represents marginalization and the loss of rights. As a result, the middle classes became strongholds for both left-wing ideals, such as trade unionism and anti-imperialism, and right-wing preaching, such as state authoritarianism.

In many ways, the Dilma government was a continuation of Lula's mandate (NOBRE, 2013, p. 135). However, unlike the workers' leader's governments, which relied on a favorable external environment, especially from the economic point of view, the Dilma Rousseff government, with a more combative and left-wing political program, was not as fortunate. Firstly, because the president was in a position of arm wrestling both with the dominant political elites (NOBRE, 2013, p. 139) and with the financial market, as she tried to implement an industrial-based development policy and with strong conflicts



with the rentier elites and the Central Bank (SINGER, 2018, p. 42-76). At the same time, it encountered difficulties in the international market, including the threat of an inflationary spiral in 2013 (SAAD FILHO; MORAIS, 2018, p. 169-186), and was undermined by corruption scandals involving some of its main allies (AVRITZER, 2019, p. 104-109). Not even the Growth Acceleration Programs (PAC) were able to save the Brazilian economy and Dilma's government, bringing the president's term to an end amid the strongest economic crisis in the country's history (SAAD FILHO; MORAIS, 2018, p. 21-22).

The economically chaotic context has called into question PT's social advances in reducing inequalities by funding public policies. Since 2014, the significant increase in the public deficit has led to an intensification of distributive and political conflicts, creating a political crisis that has reached the streets and the National Congress. Maués (2020, p. 25) observes that although the Dilma government presented proposals to deal with the public deficit, a Pemedebista articulation had already been established to drastically reduce public spending, compromising the social policies developed by the Workers' Party governments.

The alternative of the conservative political elite linked to the PMDB had significant support in the National Congress, which enabled both the *impeachment of* 2016 and the adoption of a new fiscal regime (Constitutional Amendment No. 95), marking a break with the transformative constitutional commitment, based on reducing inequality and implementing social rights by making tax policy and public policies compatible (MAUÉS, 2020, p. 25-27).

Presently, anti-democratic elements became evident with the parliamentary coup against the elected president⁷. This is because, in addition to the contradictory process as to its motivation, the replacement of the president by her vice-president, Michel Temer, indicated the disconnection between election and public policy (AVRITZER, 2019, p. 64-65), given that the government agenda elected in 2014 was aligned with public spending through the financing of social policies, while the program carried out by Temer meant the deepening of austerity measures and intense reduction of social public investments.

⁷ On the defining characteristics of the parliamentary coup, see: SANTOS, Wanderley Guilherme. *A democracia impedida: o Brasil no Século XXI*. Rio de Janeiro: FGV, 2017.



Thus, as Lulism⁸ - a term coined by André Singer (2018) - waned as a measure of support for the poorest and most marginalized, the loyalty once won in certain sectors, such as the middle classes themselves, was also mitigated, causing their strata most at risk of proletarianization to vote in protest and despair in favor of an *insider* who sold himself, in the 2018 elections, as a political *outsider*.

The end of the PT era, marked by the *impeachment* process of President Dilma Rousseff, as well as the dismantling implemented by the neoliberal agenda, made it clear that there is no social policy in Brazil today that is capable of effectively preventing a return to poverty for certain sections of society.

However, according to Cohn (2020, p. 143), until 2016, an institutional framework was built, inspired to some extent by the post-1988 welfare state model; since 2016, it has been deconstructed, and, in 2019, this framework has been destroyed. The author attributes the deconstruction and subsequent destruction to the radical nature of the neoliberal project and the new order it represents. In this sense, Fagnani reinforces that the archaic has once again emerged unashamedly through a political, financial, and business coalition, where "(...) utopia may have eclipsed the reality, so crystal clear, that democracy and social citizenship are bodies foreign to Brazilian capitalism." (FAGNANI, 2017, p. 17).

However, until 2019, it was not yet possible, according to Cohn (2020, p. 153), to speak of the destruction of the so-called social framework, given that the discourse that underpinned the reforms implemented from 2016 onwards was not openly aggressive, but supposedly aimed at tackling the fiscal maladjustment by de-constitutionalizing social rights.

In 2019, the scenario hardens; the destruction of the social protection network becomes truculent. That pact of social solidarity enshrined in the 1988 Constitution and which had been painstakingly modulated is being broken by a representative elected to do so. In Jair Bolsonaro's government, the poor are once again - and voraciously, without any euphemisms - excluded from the public agenda. Cohn cites some of these reactionary policies when he says that Brazil has returned to the hunger map and has seen the

⁸ Political scientist André Singer coined the term to conceptualize a political phenomenon identified with the ideological spectrum of the left, which gained notoriety at the end of 2001 and, above all, during the 2002 presidential elections. Lulism can thus also be defined as a political model linked to President Luiz Inácio Lula da Silva's government plans, which sought a model of change within the order, i.e. transformations without major confrontations with capital.



outbreak of measles resurface, as well as syphilis, in addition to "blaming the poor for daring to start occupying the same space as the non-poor, whether in airports, Miami, or universities." (COHN, 2020, p. 155).

The financial markets appear at the heart of the government project elected in 2018, which allows these sectors free access to control and define economic guidelines, which have also come to encompass the sphere of social policy. A classic example is the government's unbridled attacks and threats against public higher education, the repercussions of which were a significant and immediate increase in the value of the shares of the large corporations in the sector.

Bolsonaro's presidency has thus been characterized by *aporophobia*, i.e. actions aimed at penalizing the poorest, which occurred with the arbitrary restrictions on the Benefício de Prestação Continuada (BPC); with the decrease in the credibility of the Bolsa Família Program, by directing only 3% of the grants to the Northeast as opposed to 76% to the South/Southeast, with that region accounting for 36% of the poor and extremely vulnerable in Brazil; and, finally, with the Social Security Reform. In this respect, it is pertinent to state that until 2022, the country had a president elected for a single political purpose: the dismantling of public policies and the collateralization of social policy.

With Bolsonaro, the absolutist maxim "*Je suis la Loi, Je suis l'État; l'État c'est moi*" (I am the law, I am the state; the state is me!) is re-signified in the actions, but also in the speeches of the president, who thus proclaims himself "I am the Constitution", in the face of a new era of the destruction of social rights in a context that is only formally democratic.

The once improbable rise of Jair Bolsonaro as the country's president and his political project, with the crumbling of social public policies that had been vindicated until then, has become the most concrete reality of what Wanderley Guilherme dos Santos (2017, p. 12) accused Brazilian democracy of having become: an unashamedly undemocratic democracy.

Once in power, President Jair Bolsonaro is carrying out what Nobre (2020, p. 7-10) calls the politics of war and death because he understands as "small talk" that political disputes take place on common, shared, and shareable ground. On the contrary, it sustains a policy in which only one side can survive and thus makes democratic coexistence impossible. In this way, we move from polarization to war, compromising



democratic survival, which coincides with Bolsonaro's goal of destroying democracy and, during the pandemic, costing thousands of lives (NOBRE, 2020, p. 6-7).

From left-wing progressivism to the Bolsonaro advance, the neoliberal trait has been present, with greater or lesser accent and establishing itself as a counterpoint to any more substantive democratic essay. However, during the PT governments, a series of public policies were implemented, allowing for a significant reduction in extreme poverty (SINGER, 2018; ARRETCHE, 2015, p. 423-455) - which shows greater commitment to the social-developmental embryo of the 1988 constitution - the alignment with the neoliberal policies of the IMF and Central Bank was maintained. At a time when President Dilma Rousseff was taking a more combative stance towards both the ruling political elite in Congress and the strictly neoliberal economic policy of the Central Bank, she ended up failing to maintain the stability of the government, suffering a parliamentary coup that brought to power an austerity agenda committed to reducing funding for social policies. In the context of deepening neoliberalism, a populist right-wing candidate rose to the presidency with speeches against minorities and any level of inclusion and redistribution.

Thus, the neoliberal strand in Brazil presents itself as a strong impediment to the implementation of a substantially egalitarian democracy, which easily articulates itself in an economic crisis or threat to financial capital to ward off danger, even if this means a political rupture and a democratic deficit. This scenario indicates that the place of democracy in Brazilian neoliberal society is small and fragile, corresponding much more to the electoral aspect than to a commitment to reducing inequalities. And even about the electoral procedure, the result of the ballot box can encounter difficulties when the government doesn't align itself with neoliberal politics, as we saw with the 2016 *impeachment*.

Conclusion

The relationship between capitalism and democracy is highly tense, especially in the neoliberal era. While neoliberalism operates according to the logic of market justice, democracy demands social justice to guarantee political equality - elements strongly opposed by market reasoning, which sees the entire social apparatus as a pathology that must be eliminated in the name of capital freedom. Even so, most Western countries



combine democratic regimes on the political level with neoliberal capitalism on the economic spectrum (and its corollaries in constructing a new political, social, and cultural rationality). Given this, this article sets out to understand, in the context of Brazilian neoliberal society, what the place of democracy has been, i.e., to what extent it has been tolerated and accepted by neoliberal structures.

To the extent that neoliberalism extends to the state structure, demanding a state that is strong in terms of protecting the interests of the market and weak in terms of implementing social justice, it also reaches a subjective character, fostering an entrepreneurial, individualized, and competitive subject. In a scenario in which neoliberalism is simultaneously becoming an economic, political, cultural, and social system, democracy occupies an ever-smaller place, suffering corrosion and being endorsed by neoliberal capitalism only at the level of the electoral process, with no substance in reducing and combating inequalities.

In Brazil, the introduction of neoliberalism took place gradually. It was added to other elements of the state structure, such as the historical patrimonialism and the recent social-developmentalism that emerged from the Brazilian re-democratization process. With the fall of the military regime, two processes took place sequentially: on the one hand, the emergence of democracy, with a transformative constitution committed to substantive equality; on the other, the moment after democratization was marked by the advance of neoliberalism, which was established under the discourse of economic stabilization. Faced with a state structure with so many contradictory biases, the constitutional commitments of a democratic-social nature become significantly dependent on the directions adopted by the government of the day, especially since neoliberalism and patrimonialism are not committed to inclusion and redistribution; on the contrary, they are fundamental to the generation of inequalities.

Over the last two decades, Brazil's executive branch has had governments aligned with both a progressive agenda and intense austerity. What they all had in common, however, was the presence of a neoliberal bias to a greater or lesser extent. During the PT governments, there was a significant poverty reduction achieved through social policies, even though the neoliberal economic policy was expressed to the extent that the government remained linked to the interests of the IMF and the Central Bank. When Dilma's government faced the effects of the international financial crisis and presented a more combative stance towards the neoliberal dynamic and the ruling



political elite in Congress, it struggled to remain in office, suffering a controversial *impeachment*. As a result, the reduction in social investment is significantly reduced, and a candidate publicly opposed to the social apparatus is elected.

In this sense, when the economic scenario began to change, with the weakening of the *commodities boom* and the experience of an economically chaotic crisis, one of the consequences was that the advances in social policies implemented by the PT governments - until then tolerated by the financial markets - were hollowed out, giving way to a policy of deconstruction that was only effectively accepted through the attack on democracy perpetrated by the *impeachment of* the elected president in 2016. The parliamentary coup, in addition to being undemocratic and showing that from that rupture onwards, there would no longer be any certainty of a link between elections and public policies, inaugurated a phase of deepening austerity measures, which was marked by the deconstruction of the institutional framework inspired, to a certain extent, by the Welfare State model.

This scenario admits the democratic regime only from an electoral point of view but makes it difficult to maintain the commitment to substantive equality signed in 1988. Especially since the 2016 *impeachment*, the promise of democracy has been diminished and given way to truculence, denialism, obscurantism, and policies of war and death.

Democracy finds it difficult to fully establish itself due to the constancy of neoliberal rationality, which reintroduces conservatism, extremism, and violence, deliberately minimizing the fight against social justice.

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