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Volume 2

Issue 2 *Gramsci on factory councils / Gramsci in today's world*

Article 7

2017

The Economic-Political Crisis in Brazil: a Reading from Some Reflections of Gramsci

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Recommended Citation

Semeraro, Giovanni, The Economic-Political Crisis in Brazil: a Reading from Some Reflections of Gramsci, *International Gramsci Journal*, 2(2), 2017, 89-106.

Available at: <http://ro.uow.edu.au/gramsci/vol2/iss2/7>

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Since the nineteen sixties, Gramsci has been one of the main authors inspiring the renewal of Marxism, the resistance of popular movements to the military dictatorship, and the formation of political organizations in the process of democratization in Brazil. Various of his categories, such as “passive revolution”, “transformism”, the “expanded State”, “war of movement/war of position”, “national-popular”, “hegemony” etc., have often served as a basis for interpreting the history and politics of Brazil. But, in his writings there is also a set of reflections that depict situations which are much closer to the economic and political crisis currently affecting Brazil. Among other aspects, in fact, Gramsci’s work, written between the two great wars of the last century, is characterized by the analysis of the “organic crisis” of bourgeois society, by the search for the reasons of the defeat of the revolutionary movement, and by the new possibilities opened to the “subaltern classes” in crucial historical circumstances. In the light of this background, in these few pages we will discuss the current political situation of Brazil taking into account especially the *Observations on Certain Aspects of the Structure of Political Parties in Periods of Organic Crisis* (Q13, § 23, pp. 1602-1613; SPN, pp. 210-218 and concluding part on pp. 167-168) and on the modern forms of *Caesarism* (Q13, § 27, pp. 1619-1622; SPN, pp. 219-222)*.

* Gramsci, A., *Quaderni del carcere*, ed. V. Gerratana, Torino, Einaudi, 1975. In the body of the text, this edition is quoted as QC, followed by the number of the notebook, the number of the paragraph (where necessary also the sub-paragraph) and page of the Italian edition, data which allow quotations to be located in the Brazilian and other integral editions. Page references are also given to English translations (SPN for Gramsci 1971; PN, vols. I, II and III for Gramsci 1992, 1996 and 2007 respectively; and FSPN for Gramsci 1995).

Keywords

Gramsci, Bonapartism, Organic Crisis, Political and Economic Crisis, Brazil, Lulism

The Economic-Political Crisis in Brazil: a Reading from Some Reflections of Gramsci

Giovanni Semeraro

1. The end of a political cycle

In June 2013, on the eve of the Confederations Cup, huge demonstrations broke out in Brazil occupying squares and streets in over 300 cities and uncovering the deep crisis latent in the country. On posters, slogans and in the symbology used, demonstrators expressed their anger at the reduction in the country's growth rate and at basic demands never being met, while large investments were made in overpriced projects to ensure the world that the football extravaganza orchestrated by FIFA (*Fédération Internationale de Football Association*) *would actually take place*. Triggered by social networks in a 'spontaneous' and apparently chaotic way, those mass mobilizations, expressing various forms of dissent, claimed the 'Fifa standard' for public services and protested against corruption, precarious work and the loss of purchasing power. The sudden explosion, which drew into its vortex a multiplicity of even opposing interests and a mix of social groups, was, in fact, the expression of "a whole series of questions which [had] piled up in a molecular form" (*QC* 15, § 59, p. 1824; *SPN*, p. 106)¹ in a country whose government no longer represented an aggregating and consensual project. A very similar picture is portrayed by Gramsci when he describes aspects of the "organic crisis" which occurs

1) because the previously passive great masses went into motion, but it was chaotic, disorganized motion, without leadership, that is, without a precise collective political will; 2) because [...] the middle classes [...] found themselves unemployed, precisely after having completed their apprenticeship in positions of authority etc.; 3) because the antagonistic forces turned out to be incapable of organizing the actual disorder to their advantage (*QC* 7, § 80, pp. 912-913; *PN*, Vol. III, p. 211).

¹ The *SPN* translation is modified to take account of the importance that "molecularly" has attained in Gramsci and Gramscian studies [editorial note].

«International Gramsci Journal», Vol. 2, 2017, n. 2, 89-106.

ISSN: 1836-6554

Taken by surprise and stunned, authorities sought to circumvent popular revolt, at first with repression but later metabolizing a few demands with palliative measures and generic promises of reform. Without seeing any real effect, pressures started up again after the 2014 elections. Since the end of 2014, in fact, when Dilma Rousseff, from the Workers Party (*Partido dos Trabalhadores* – PT), was re-elected President of the Republic with a very slim majority of the popular vote, society clearly revealed its division and people slowly began to realize the gravity of the crisis that had hit Brazil. The dramatic economic and political situation was compounded by the numerous cases of corruption revealed by “Operation Car Wash” (*Operação Lava-Jato*), triggered by the Federal Police and the Public Ministry when they discovered a ‘kickback’ scheme in Petrobras, a strategic state-owned company due to its high earnings and investments.

An impressive list of politicians of various parties (including ministers and chairmen of the Chamber of Deputies and the Senate) and of government officials, bribed by major construction companies and private firms, shocked the population, putting on display not only the climate of impunity prevailing in the country and the frightening hole in the government’s coffers, but, above all, the predatory culture that rages in many sectors of society and the lack of an effective democracy on account of the strength of large economic groups. In the same period, “Operation Zelotes”, promoted by the Brazilian Internal Revenue Service (*Receita Federal*), the Federal Police, the Federal Public Prosecutor’s Office and the Internal Affairs Office of the Ministry of Treasury, unveiled a tax evasion scheme which initially amounted to over 20 billion Brazilian *real* (in round terms now between 5 and 6 billion euros or US dollars), defrauded at the Administrative Tax Appeals Council (*Conselho Administrativo de Recursos Fiscais* – CARF), where reduction services were sold or the debt of banks and large companies (such as, for example, Santander, Bradesco, Gerdau, RBS – affiliate of *Rede Globo* etc) disappeared. In addition to this, Wikileaks disclosed information on secret accounts in the Swiss branch of HSBC Bank, which included the names of 8667 Brazilians, alleged to have stolen considerable amounts from the country in undeclared currency.

The PT, involved in corruption scandals, won a fourth term with the aid of much electoral juggling, but saw this result become a

“Pyrrhic victory”. To ensure a minimum of governability, in fact, the government of the President was required to set up a harsh fiscal adjustment, completely contradicting its campaign promises, and to make huge concessions to the allied parties, most of which had positions totally against its program. In this way, with the Presidency of the Chamber of Deputies and the Senate in the hands of the PMDB (now numerically the largest party), the basis of the parliamentary support started to vote opportunistic and reactionary guidelines, which further deepened the crisis that was devastating the country. But, the greatest disaster suffered by the PT has been the loss of credibility in the larger sectors of society, the dropout of many militants, popular organizations and intellectuals frustrated by the lack of consistency and distortion of the party. For somewhat more than a couple of years, then, it has not constituted a hegemonic force in the country capable of aggregating consent, giving unity and political direction to the nation, a situation which has therefore led to the creation of a dangerous vacuum that generates uncertainty, social disarray and rise of adventurists and predators. Taking advantage of the “crisis of command and leadership when spontaneous consent undergoes a crisis” (*QC* 4, § 49, p. 476; *PN* Vol. II, p. 201), the massive advances of financial capital, business and the right-wing media – upset by the fourth defeat in elections and by social spending, launched relentless attacks in order to disqualify the PT and (successfully) demand the resignation and impeachment of now ex-President Rousseff. After having taken this risky path, which may be considered as representing one of institutional rupture and a “white coup”, the opposition forces continued to make the PT-led government bleed by imposing a harsh neoliberal agenda on it, with the intention of paving the way for an overwhelming victory in the next elections, the recent municipal ones of autumn 2016, and in the state and national elections, in 2018.

It is also to be noted that, in recent years, the situation in Brazil has been worsening due to the long period of drought which has affected agriculture and the water system of strategic regions, in addition to a set of external factors, such as the world economic crisis, protectionism practiced by the United States and the European Union, the reduction of growth in China and Russia and the disintegration of trading partners in the Middle East and Africa.

To these ingredients one must add the contraction of leftist parties that is occurring around the world and the wearing down of progressive governments in Latin America, articulated around projects such as MERCOSUR, UNASUR, CELAC, ALBA and contrary to the interests of the United States. Although significant, however, these factors do not exempt the PT from responsibilities regarding mistakes in political strategy and economy management, accommodation, omission, engagement in acts of corruption and the apparatus of the State conducted by it. A political agglutination that has marked the history of Brazil over the last 35 years, which now can no longer “[...] really causes the whole society to move forward, not merely satisfying its own existential requirements, but continuously augmenting its cadres for the conquest of every new sphere of economic and productive activity” (*QC* 19, § 24, p. 2012; *SPN*, p. 60). In this way, if the bureaucracy “feels itself independent of the mass of members, the party ends up by becoming anachronistic and at moments of acute crisis it is voided of its social content and left as though suspended in mid-air” (*QC* 13, § 23, p. 1604; *SPN*, p. 211). Today, in fact, it is practically unanimous to consider that the cycle of the PT, dominated by corporatism and entrenched in the remnants of governmental power, is heading towards decline because it lost the ability to create an “[...] organic unity between theory and practice, between intellectual strata and popular masses, between rulers and ruled” (*QC* 13, § 36, p. 1635, *SPN*, p. 190). In 1930, in the fascist prison, Gramsci warned that

Ignoring and, even worse, disdaining the so-called ‘spontaneous’ movements – that is declining to give them a conscious leadership and raise them to a higher level by inserting them into politics – may often have very bad and serious consequences. It is almost always the case that a ‘spontaneous’ movement of the subaltern classes is matched by a reactionary movement of the right wing of the dominant class, for concomitant reasons: an economic crisis, for example, produces, on the one hand, discontent among the subaltern classes and spontaneous mass movements and, on the other, conspiracies by reactionary groups, who take advantage of the objective enfeeblement of the government to attempt coups d’état. Among the efficient causes of these coups d’état, one must include the failure of the responsible groups to give conscious leadership to the spontaneous rebellions and thus enable them to become a positive political factor. (*QC* 3, § 48, p. 331; *PN*, Vol. II, p. 51; alternative wording in *SPN*, p. 199).

After 2003, when it won the Presidency of the Republic and the government of important cities and states of the country, the PT started to consolidate itself in power thanks to a favourable external economic environment and to the social programs that ensured its popular support. Even in the years of the major crisis that exploded in the world in 2008, countercyclical internal measures managed to avoid the erosion of wages and jobs. But, throughout its mandates, the party, which from its formation had been noted for its “new way of doing politics”, and for a unique process of popular participation, gradually lost these features, took it easy and adopted ambiguous positions. In fact, leading a contradictory administration, it sought to promote the public by favouring private interests; multiplied paternalistic policies and at the same time made the élite richer and facilitated huge profits for banks; boosted the primary exporter sector with a large production of commodities at the cost of a high degree of pollution and intensive use of pesticides; appeased the misery of the most abandoned sectors with “*bolsas*” programs, raised the minimum wage, opened credit lines and access to the university. It did not however reduce inequality since it avoided substantial transformations, namely agrarian and urban reforms, fiscal and political reforms, audit of the government debt and of the financial system, media democratization and fair distribution of the wealth produced collectively. Without fighting the mechanisms that reproduce the concentration of wealth and without promoting an “intellectual and moral reform” of the popular classes such as to place them in a position to exercise their sovereignty, it is not possible to reach an effectively fair and democratic society.

The sovereignty of a country, in fact, consists not only in fighting poverty, in increasing production and in having citizens functional to the system, but depends essentially on the promotion of self-government and the socialization of politics and common assets – the most fundamental of all rights – without which a people cannot be a free and respectable subject. This is the deepest sense that Gramsci gives to democracy when he defines it as the system that must promote the transition of citizens from their condition of ruled to rulers, from the position of governed to governors (*QC* 8, § 191, p. 1056; *PN*, Vol. III, p. 345).

When it became reconciled to social and economic groups with no national-popular commitment and promoted developmental projects to achieve “what is possible within the capitalist model” (Boito, 2012), the PT administration continued to allow the concentration of wealth and land in the hands of a few, to indiscriminately throw the doors open for investors and imports, and somewhat strangely, to increase the debt on its checking account due to an absurd primary surplus that set stratospheric interest rates and introduced one of the most perverse mechanisms of transfer of income from labor to financial speculation.

Indeed, both the conciliatory government of Luiz Inácio Lula da Silva (2003-2010) and the managerial centralism of Dilma Vana Rousseff (2011-2016), which even tried (unsuccessfully) to reduce interest rates and bank profits (Singer, 2015, pp. 47 et seq.), gave in to the typical formula of “class coexistence”, which does not compromise the socio-economic structure, and to the “miscegenation” of the politics that characterizes the history of Brazil. This is a phenomenon that the leading sociologist Francisco de Oliveira portrays as the production of a “platypus” (the “ornitorrinco” of Oliveira’s 2003 volume) since it seeks to combine savage capitalism with paternalistic social benefits, ensures the controlled reproduction of inequality and naturalizes the contradictions of a “left which governs with its right hand”. However, to reach governmental power with the popular vote and then to continue to reproduce the current system is fatal to the left. In this sense, “Lulism” (Singer, 2012) and the transformation of its government in a state-Bonapartist party (cf. *QC* 3, § 119, p. 387; *PN*, Vol. II. pp. 105-106) led to a separation between political society and civil society, a demobilization of the popular movements and to an “illusory conciliation” of antagonistic interests rather than to a “passive revolution in the Brazilian way”.

Gramsci, in fact, even when he acknowledges the occurrence of “molecular changes” or “modifications” (*QC* 15, § 11, 1767; *SPN*, p. 109) and of “relatively ‘progressive’” elements (*QC*, 14, §23; *SPN*, p. 223) in processes of “passive revolution”, leaves no doubt when he refers to the attempts to reconcile the irreconcilable. Such tests, indeed, are

non-organic creations, because they are contradictory, because they are intended to reconcile opposed and contradictory interests; their ‘historicity’

will be brief because contradiction appears after each event of which they have been the instrument. The philosophy of praxis, on the other hand, does not aim at the peaceful resolution of existing contradictions in history and society but is rather the very theory of these contradictions. It is not the instrument of government of the dominant groups in order to gain the consent of and exercise hegemony over the subaltern classes; it is the expression of these subaltern classes who want to educate themselves in the art of government and have an interest in knowing all truths, even the unpleasant ones, and in avoiding the (impossible) deceptions of the upper class and – even more – their own (*QC* 10, Part II, § 41XII, p. 1319-1320; *FSPN*, pp. 395-396).

An alert in this direction had been released by, among others, Carlos Nelson Coutinho when, in 1999, in view of the ongoing crisis, he called attention to the difference between “social democratic reformism” tamed by the established order and

a reformist-revolutionary strategy that will maintain the overcoming of capitalism as an objective, devising socialism as the ultimate goal of a *historic era* marked by profound and progressive structural reforms (Coutinho, 2000, p. 116).

2. Reasons for the crisis

Regardless of the analysis that will be drawn from the PT government, the fact is that Brazil which, between 2004 and 2012 showed an annual growth rate of 5% asserting itself as the fifth world economy, is now facing a bitter recession of 3%, an inflation rate of 10%, an unemployment rate that rose from 9% to 11.9% (year-end to year-end 2015-2016), a currency devaluation of over 50% against the dollar and the closure of many industries, which has led to disastrous consequences for the population previously animated by the hopes of a reduction of poverty and of better living conditions. The situation in Brazil has become even more dramatic as, on the one hand, we see the exhaustion of the political hegemony of the PT and, on the other hand, it seems that there is no other political power or leadership able to promote “the fusion of an entire social group under a single leadership, which alone is held to be capable of solving an over-riding problem of its existence and fending off a mortal danger” (*QC* 13, § 23, p. 1604;

SPN, p. 211).² Thus, while in the population disbelief in politics and disappointment with regard to the parties has been spreading, “[...] the old is dying and the new cannot be born: in this interregnum, morbid phenomena the most varied kind occur” (*QC* 3, § 34, p. 311; *PN* Vol. II, p. 33). This represents a more dangerous situation, as Gramsci notes in Notebook 4 (in a so-called “A” text, i.e. a first draft, of 1930), since

it spreads to all the political parties and among all the different classes; [...]. The crisis is dangerous when the rank and file of one or more parties does not go over very quickly to another party that better epitomizes the general interest. (*QC* 4, § 69, p. 513; *PN*, Vol. II, p. 241).

A few years later, in the second draft (a “C” text) recorded in one of the “special” notebooks (*Q* 13, § 23: 1932-1934),³ as though he were describing the situation underway in Brazil, Gramsci remarks that

At a certain point in their historical lives, social groups become detached from their traditional parties. In other words, the traditional parties, in that particular organisational form, with the particular men who constitute, represent and lead them, are no longer recognized by their class (or fraction of a class) as its expression. When such crises occur, the immediate situation becomes delicate and dangerous, because the field is open for violent solutions, for the activities of unknown forces represented charismatic “men of destiny” [...]. In every country the process is different, although the content is the same. And the content is the crisis of the ruling class’s hegemony,

unable as it is, to meet the expectations of the popular masses which

put forward demands which taken altogether, albeit not organically formulated, add up to a revolution (*QC*, § 13, pp. 1602-1603; *SPN*, p. 210).

The disaggregation of a party that has catalysed the country’s renewal and has united much of the popular movements over the last few decades, along with the uneasiness also observed in many

² Here again the translation is brought into line with the *QC* original by substituting “group” for *SPN*’s “class” [editorial note].

³ The dating of Notebook 13 is notoriously difficult; even Gianni Francioni, editor of the anastatic version of the Notebooks (Gramsci 2009, Vol. 14, p. 154), has been unable to date its paragraphs to more exactly than mid-1932 to November 1933 [editorial note].

union organizations associated with the allied United Workers' Center (*Central Única dos Trabalhadores* – CUT), has been skilfully exploited by conservative forces to unleash a new offensive of capital aimed at enlarging the regime of precariousness and increasing outsourcing and cuts in public services. In this way, if in the past decade, in the reflux of neoliberal policies in Latin America, the PT was useful to the interests of the bourgeoisie to control the growing wave of popular mobilizations, now, the economic crisis, which has been weakening the party, has become the best excuse to get rid of a party whose organization and continuity, even with its ambiguities, represents a threat and a burden to the free action of the economic power and to the advancement of a reactionary wave in Brazil and in Latin America. In this very delicate and unpredictable process,

[t]he crisis creates situations which are dangerous in the short run, since the various strata of the population are not all capable of orienting themselves equally swiftly. The traditional ruling class, which has numerous trained cadres, changes men and programmes and, with greater speed than is achieved by the subaltern classes, reabsorbs the control that was slipping from its grasp” (*QC* 13, § 23, p. 1603; *SPN*, p. 210).

And in fact, what is going on in Brazil is not exactly a power vacuum as many analysts argue, because a vacuum does not exist, much less in politics. Representatives of finance capital, of international corporations and large companies, federations of industry and commerce and the corporate media, with their poses as scholars and saviours, started to directly occupy key posts in the government (Treasury, Planning, Agriculture, Mines and Energy, Industry and Trade, Science and Technology, Health etc.) and to impose a fiscal adjustment aimed at ensuring that the primary surplus was intended to pay bankers and speculators in public debt securities, to downgrade salaries, to relax the Consolidation of Labour Laws (*Consolidação das Leis do Trabalho* – CLT), to commercialize social rights and to install a ‘minimum State’.

Although every country and every historical circumstance show different processes, we can also find precious elements to better understand what has been taking place in Brazil in Gramsci's reflections on “Caesarism”, a phenomenon which can be said to “express a situation in which the forces in conflict balance each

other in a catastrophic manner” (*QC* 13, § 27, p. 1619; *SPN*, p. 219) and cancel each other, giving rise to a situation of ‘ungovernability’ that paves the way for an “solution by ‘arbitrage’” (*loc. cit.*),⁴ by the intervention of technicians and professionals from large financial institutions specialized in ‘cleaning up’, and which are ‘free’ of ideological influences – as if it were possible to separate economy from politics. Currently, indeed, the developmental project has no political and social forces strong enough on which to support itself, but the ‘adjustment’ policies are also meeting with resistance in society. This lack of definition, in which “no group, neither the conservatives nor the progressives, has the strength for victory” (*QC* 13, § 23, p. 1604; *SPN*, p. 211), and the lack of an alternative political pole, favor the growth of a particular form of “Caesarism” in Brazil. The need to implement ‘urgent’ measures of austerity that could put the country ‘back on track’ has created a ‘state of exception’ situation, enabling the approval of regressive projects, paralyzing political action and putting the population in a painful standby position. Moving away from “the assessment made by Marx in his celebrated *18 Brumaire of Louis Bonaparte*” (Liguori, 2009, p. 124), as well as the classic examples of “Caesarism” manifested in the figures of Caesar and Napoleon (“progressive” Caesarism) or of Napoleon III and Bismarck (“reactionary Caesarism”), Gramsci notes that “In the modern world, with its great economic-trade-union and party-political coalitions, the mechanism of the Caesarist phenomenon is different from what it was up to Napoleon III” (*QC* 9, § 133, p. 1195),⁵ since

a Caesarist solution can also exist without a Caesar, without any great ‘heroic’ and representative personality. The parliamentary system has also provided a mechanism for such compromise solutions. [...] Every coalition government is a first stage of Caesarism, which either may or may not develop to more significant stages (the common opinion of course is that coalition governments, on the contrary, are the most ‘solid bulwark’ against Caesarism) (*QC* 13, § 27, pp. 1619-1620; *SPN*, p. 220).

⁴ We here substitute “solution by arbitrage” in an attempt to come closer to Gramsci’s “soluzione ‘arbitrale’” than *SPN*’s “particular solution” [editorial note].

⁵ Cf. the rewritten “C” text of Q 13, §23 (*SPN* p. 220), whose only modification is not to include the word “very” before “different”, present instead in the “A” text [editorial note].

And in fact, since the PT formed a coalition government with the conservative forces, it ended up creating an amalgam between contrasting “forces which could in the last analysis fuse and unify, albeit after a wearying and bloody process” (*QC* 13, § 27, p. 1622; *SPN*, p. 222). But, this ambiguous game that has been taking place between apparently “contrasting” parties does not hide a deeper reality that is a concern in Brazilian politics. Due to bribes and generous campaign fundings, passed on by large companies, in addition to the lobbying of powerful economic groups and the pressures of the monopolized media, parliamentarians undertake responsibilities with an autocratic and undemocratic power that bypasses the voters’ choice, manipulates the Congress and public institutions, empties democracy and subdues national sovereignty, thus giving way to a ‘camouflaged Caesarism’ consolidated in periods of the fragility and mutual destruction of conflicting political groups. Gramsci adds that the activity of this “modern Caesarism” does not need to resort to the army or to brute force, since “The functionaries of the parties and economic unions can be corrupted or terrorised, without any need for military action in the grand style – of the Caesar or 18 Brumaire type” (*QC*, 13 § 27, p. 1620; *SPN*, p. 220). Thus, using powerful means of persuasion and a sophisticated technological arsenal, Gramsci notes, “[...] modern Caesarism is more a police than a military system” (*QC*, 13 § 27, p. 1622; *SPN*, p. 222), meaning that it is “[...] police in a broad sense”, i.e., “[...] not only in the state service directed to the repression of crime, but in the ensemble of organised state and private forces to protect the political and economic dominion of the ruling class” (p. 1620). The strategy of this “modern Caesarism”, made of plots and espionage, of boycotts and embargo, of economic blackmail and investor flight, of smear campaigns and of criminalization of the ‘enemy’, is the most widely used mode in our time to disable the socializing and democratic potential of popular movements, to destabilize ‘unreliable’ governments and to pave the way to the invasion and destruction of whole countries (Losurdo, 2014, pp. 71-76).

As we all know, in the history of Brazil, except for brief parentheses of democratic periods, the power conducted ‘from outside and from above’ has always been present. Today, giving continuity to this tradition and imposing themselves as the

dominant components, there are the financial system, market savagery and media monopoly, which conduct the destinies of the country in a “Caesarist” way. Although not seen directly, this unquestionable power establishes prices, interest rates and currency value, determines the type of production, of commerce, of urbanization, of social services and benefits, deforests and concentrates huge tracts of land, freely syphons off the country’s foreign currency, bribes politicians, kills with impunity Indians, Blacks and poor people in the slums, builds a powerful ideological apparatus, installs an extensive private network of schools and universities, favours the dissemination of narcotizing churches and the diffusion of a stupid and empty culture.

People who think this an exaggerated picture of the situation ignore that, in the composition of the National Congress, large landowners, industrialists, the great businessmen, evangelicals and “the bullet bench” predominate. A framework that has driven the experienced Congressman Ivan Valente to state that “What we have there [in the Legislative] today is an apparatus, which I would say is almost of the mafia-type” (Valente, 2015, p. 21). Shielded in the distant Central Plateau, similar to economic and business offices in their modern castles, the island of ‘the representatives of the people’ has become a kind of ‘big brother’ television show, far from national reality, impervious to national protests and strikes, refractory to debate and to popular consultation and in a situation of visible “decomposition” [of parliamentarianism] (*QC* 4, § 22, 442; *PN* Vol. II, p. 162). To remain in the government at any cost, the PT had to adjust and make big concessions to this system, creating programs that blend social assistance with neoliberalism, leading the party to progressively drawing away from popular aspirations and from the creation of a new project for society. Following the path of permeable and reformist centre-left parties in Europe, which try to survive by meekly managing capitalism, the PT started to abandon its distinctive stance. It did not realize that the action of confronting the insidious forms of Caesarism used by capitalism in today’s world is far different from the actions of resistance to military dictatorship. The current form of domination, which is particularly engendered in the impenetrable intricacies of the financial system and in the charms of the media, is more subtle and seductive and, at the same time, is highly corrosive and

totalizing. The rise of this “soft Caesarism” (Losurdo, 1993, p. 284), as a matter of fact, has not been taking place only in the economic sphere, in the State apparatus and in the media, but is also progressing to privatizing public services, to anaesthetizing consciences, and is even stealing the scene of the popular movements themselves when it mobilizes significant social groups on the streets. That is what has been going on, for example, with the movement “Come into the Street” (*Vem para a Rua*) and “Students for Freedom” (*Estudantes pela Liberdade* – EPL – founded in 2012 and inspired by the “Students for Liberty” of the United States), which gave way to “Free Brazil Movement” (*Movimento Brasil Livre* – MBL), organizations funded by the Koch Brothers and the ATLAS Economic Research Foundation, aimed at training young Latin Americans to combat “left” governments and defend old stances in new languages (*Brasil de Fato*, 2015, pp. 4-5). As Marx had observed, capitalism does not focus only on economic structures, but also determines the model of social relations, the process of subjectivity production and the diffusion of common sense, since, as observed above, “the class which has the means for material production has, at the same time, the means for intellectual production” (Marx-Engels, 1998, p. 48).⁶ We can therefore understand Gramsci’s insistence on conducting “a study of how the ideological structure of a ruling class is actually organized: that is, the material organization meant to preserve, defend, and develop the theoretical or ideological ‘front’” (*QC* 3, § 49, p. 332-3; *PN* Vol. II, p. 52). A much more urgent need in a country like Brazil – where the imposing power of newspapers, magazines, television networks, churches, schools and civil society organizations are in the hands of the ruling class and of international capital – makes this domain practically absolute.

3. *New possibilities for popular forces*

Thirty years after the end of the dictatorship, Brazil is now facing one of the most crucial crises in its short democratic history. What appears in the media and in common sense is the call for ‘ethical

⁶ This is a literal rendering of the Brazilian translation of *Die deutsche Ideologie*; the standard English translation reads “the class which has the means of material production at its disposal, consequently also controls the means of mental production” (Marx-Engels 1976, p. 59).

values' and the need for a redeemer 'car wash' cleaning to conquer the 'cancer' of corruption. This is a commendable operation, without doubt, which is finally reaching some exponents in the higher spheres and demonstrating a certain stability of the investigative and judicial institutions. But, behind this narrative, what really lies at the heart of the crisis is the impasse between ineffective and obsolete projects of society and the lack of new political forces to form a "historical bloc" able to galvanize the country around "will as operative awareness of historical necessity, as protagonist of a real and effective historical drama" (QC 13, § 1, p. 1559; SPN, p. 130). Both populist development and the reactionary Caesarism of economic groups are unable to promote the expansion of democracy and respond to the growing 'historical needs' of the masses. If the first project is eluded when it aims at reducing misery without breaking with capitalism and the mechanisms of inequality, the other repeats old formulas that lead to retrocession and exclusion. While much energy is consumed in the bonfire of 'small-time politics' and eroded parties, the crisis is exposing the fracture of a country that is still economically, socially and politically divided, split between the "*panelaço*"— in which people protest by banging on empty pots — of the middle/upper classes which feel threatened in their earnings and privileges and the fear of classes C and D consumed by anguish as they see the prospects for better living conditions moving away from them. Although we cannot deny that the PT Government provided a number of benefits for these lower classes, the framework of an underdeveloped and unequal country has not changed substantially. The permanence of the PT in power led many to think that the changes would occur naturally and gradually, a naïve belief that subdued the combativeness of the popular organizations and left the path clear for the growing expansion of private powers, the financial aristocracy, transnational companies, cartels, of a tremendous parallel power that has been spreading to all sectors without any obstacle. So, while the patronizing Bonapartism of 'peace and love Lulism' favored political disarmament and a 'peaceful' coexistence between classes, the "Caesarism" without scruple of big capital found a fertile ground to reorganize and strengthen itself. In no other period in the history of Brazil have the profits of banks and rentiers grown so fast and the empire of the

media and private business thriven so prodigiously, while the “phenomenon of transformism’ introduced by Lulism produced a

scarcity of statesmen and government leaders, impoverishment of parliamentary life [...] hence impoverishment of cultural life [...]. The universities and all the institutions that developed intellectual and technical skills were impervious to the life of the parties and the living reality of national life, and they created apolitical national cadres, with a purely rhetorical and non-national mental formation (*QC* 3, § 119, pp. 387-388; *PN* Vol. II, p. 106).

In addition to revealing how illusory it is within capitalism to construct a government in which everyone wins, the current crisis is showing that the antagonism between classes “is historically incurable and indeed becomes especially acute with the advent of Caesarist forms” (*QC* 13, § 27, p. 1622; *SPN*, p. 222). These forms make it clear who is “[...] the sovereign that decides on the state of exception” (Schmitt, 1972, p. 33; Agamben, 2003) and that “[i]n a capitalist society no one governs without entrepreneurs. They have a right of veto over the country” (Bresser-Pereira, 2014). In these conditions, therefore, there is no possibility of pushing democracy beyond ‘certain limits’ because, in practice, real powers act without the consent of democracy and nullify popular sovereignty (Semeraro, 2014, pp. 195 et seq.).

As suggested by the etymology of the word, crisis means insight, choice, decision to be taken when facing impasses and crossroads. In the crucial period Brazil is living now, the ability to discern and reorganize quickly can open paths to boost reactionary forces or to develop social and political movements able to break away from the current system and create a favourable condition for “an unprecedented expansion of historical materialism” (*QC* 3, § 34, p. 311; *PN* Vol. II, p. 33). For Gramsci, in fact, “the crisis is the place of ambivalence. Of instability, conflicts and of quite powerful progressive dynamics” (Burgio 2007, p. 44). And, even in situations of impasses and serious danger, Gramsci notes that “in the movement of history there is never any turning back, and that restorations *in toto* do not exist” (*QC* 13, § 27, p. 1619; *SPN*, pp. 219-220) because history remains “dialectical” (cf. *QC* 15, § 62, p. 1827; *SPN*, p. 114) and “despite all appearances” its field is left open to the action of groups which know how to act politically and

can organize themselves to dispute hegemony (cf. *QC* 6, § 138, p. 802; *SPN*, p. 239).

In this way, if after the military dictatorship the main objective was to establish the democratic rule of law, to ensure civil and political liberties, now, in even more adverse times (due to the reigning climate of dystopia, disappointment and disorientation), in order not to jeopardize these achievements, it is not only a 'selective clean-up' conducted by the judiciary that is necessary. The situation also, and above all, requires the establishment and the protagonism of new and more vigorous popular political organizations able to carry forward the process of democratization and make further progress, especially in the field of the socialization of political and economic power and in the creation of a national State of a popular character. In this audacious and higher political venture, aware that the freedom that makes democracy possible is the same that threatens it constantly, it will be more and more necessary to learn how to engage in combat in a society characterized by complex "relations of forces" (*QC* 13, § 17, pp. 1578-1589; *SPN*, pp. 175-185), in which the "siege is reciprocal", by sophisticated ideological instruments that feature an "unprecedented concentration of hegemony" (*QC* 6, §138, p. 802; *PN* Vol. III, p. 109). Since this is not a conjunctural crisis, but an "organic" and long-term global one that "cannot be overcome except by creating a new structure" (*QC* 14, § 57, p. 1716; *FSPN*, p. 224), the "struggle for hegemony" will only be possible with strong organizations of popular collective subjects, prepared for a wide and capillary "war of position", that is "compact, difficult, requiring exceptional abilities of patience and inventiveness" (*QC* 6 § 138, p. 802; *PN* Vol. III, p. 109), a war that is able to create an irreplaceable and permanent education for self-government, without which "some form of Bonapartism will emerge" (*QC* 1, § 158, p. 139; *PN* Vol. I, p. 236).

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