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The situation of labour and work in Brazil

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- Prof. Dr. Antonio Marcelo Jackson Ferreira da Silva: PhD in Political Science at IUPERJ; Professor at the Federal University of Ouro Preto (UFOP, Brasil).
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Antonio Marcelo Jackson: high rates of unemployment, work precarization... many are the problems that Brazil have been facing recently. To debate and expose on the theme, today we have the special participation of Professor Marcelo Soares de Carvalho. Graduated in Economics, Marcelo has also a Master's degree in Economic Development and a PhD in Economic Science, all of those at the State University of Campinas. Nowadays, he is a professor at the Federal University of São Paulo. Composing the rest of our conversation, we have Professor José Medeiros, of the Zhejiang International Studies University in the city of Hangzhou, China; Renato Henrique de Gaspi, a social scientist with an International Relations background, today speaking from São Paulo and I, Antônio Marcelo Jackson, speaking from Ouro Preto, state of Minas Gerais. Professor Marcelo Carvalho is also in the state of São Paulo. That said, Marcelo, please, the floor is yours and you can make your first exposition at this roundtable of the International Forum of Ideas. Welcome, Marcelo!

Marcelo Soares de Carvalho: Well, I thank you all again for the invitation. It is a great joy to be here with you and to share ideas in an intellectual environment characterized by generosity and certain flexibility, I would say. I believe this to be always favourable and interesting. This is a welcome break from the traditional shapes of academia. I would go further and say that the straitjacket we are forced to use for certain publications – almost all of them, actually – and for

certain kinds of presentations in seminars and conferences needs to be rethought, so we can make knowledge exert its social function in a broader and more effective sense. Thus, this initiative seems to be a big step at the right direction. I then thank you all again for the invitation and it is a joy to be here.

Well, but I would say that the reasons for jubilation end there because to tackle our current topic at present one needs to have a certain calm and a given confidence on the power of historic times. I say that because the present, or the short-term, as economists like to say, is, quite frankly, discouraging. Of course, I am focusing more on the Brazilian reality, but unfortunately, certain things that we observe here can also be verified on other parts of the globe.

Further, when we talk about the Brazilian labour market and the way work is being used in Brazil right now give us reason to worry. First of all, I point to the conditions that are absorbing idle workers. Since 2015, we have been experimenting a growth in the unemployment rate and, since the coup d'état – and I am sorry for those who do not agree with the expression, but I happen to believe that for a head of state to be deposed without a crime of responsibility there must have been, indeed, a coup d'état¹.

Since this coup in 2016, labour indicators have been most worrisome. And perhaps *because* of these indicators, the current – let's say – federal government engaged in a broad reform over the labour legislation that ruled in Brazil for about 70 years. To call it a reform is rather an understatement, for what has actually happened is a brutal deregulation of our labour market.

We had already introduced, since the 1990s, in the government of Fernando Henrique Cardoso, a set of mechanisms to flexibilize the ways in which labour can be used. However now, these mechanisms reached unsurmountable heights. All this was justified and legitimized with the promise of creating new jobs and that, if costs of hiring and firing were lowered, entrepreneurs would start offering more job posts. Thus, this would have a positive effect for the labour market in the medium and long term.

¹ This is a reference to the impeachment of president Dilma Rousseff in august 2016.

So far, however, results have been exactly the opposite of what was expected and boasted by advocates of the reform. Data recently made available by the Brazilian Institute of Geography and Statistics (IBGE in the Portuguese acronym) confirm this opposition. The unemployment rate jumped to 13%. It would do good to remember that this unemployment rate is referring only to people who self-declare as “not working” and that are searching for a job during the research rime period. That means that this percentage does not refer to the whole of the unemployed mass, since this does not include the unemployment hidden in precarious labour or of people who have ceased to look for work. It is also important to keep in mind that not too long ago – still in 2014, if I am not mistaken – this rate was approximately a third of what it is now. So it is possible to have an idea of how much of a terrible effect the political – and now also legal because of the reforms – instability is having on our country.

The gross salary share of the economy is also showing – depending on the trimester – signs of instability or decline. Comparing with the last three trimesters, the most recent result shows a decrease of 1.8%. Also, the new jobs being created are done so in very precarious ways, motivated either by this terrible innovation called ‘intermittent work’ or by generalized outsourcing, now readjusted to include even the end-activities of a given company². This means that the focus of job creations is extremely restricted. Given that macroeconomic indicators suggest that, in 2017, Brazil only grew 1%, this does not offset the successive declines of -3.5% inform 2015 to 2016. That is, that 1% growth does not replenish our previous decline, obviously. Furthermore, this 1% is quite facile, because a good chunk of this growth came from the agriculture and husbandry sector, due to the enormous harvest amassed in 2017. In other words, if it was not for this harvest, our macroeconomic numbers, our national accounts that compose the GDP (Gross Domestic Product), would be even more disheartening.

Anyway, this is the current scenario found in Brazil. In other parts of the world we can observe other attempts of dismantling of the social and labour protection system. Recently, for example, in France, we had some initiatives that made the French population and its workers among them rise

² Before the reform, Brazilian legislation did not allow for, say, a rubber band producing company to outsource its end-activity, namely, the production of rubber bands. It could outsource transportation, cleaning and so on, but not the production of rubber bands. This changed recently with the labour legislation reform (translator’s note).

against Emmanuel Macron's government. And it is meaningful to say that what is being tried there by Macron is but a small fraction of what a non-elected government has managed to do here in Brazil. Another experiments can also be observed in Mauricio Macri's Argentina and in other initiatives motivated by Latin America's turn to the right, and in other parts of the world, including old Europe. France is an interesting example because it is not in the Eurozone's periphery like it is the case with Greece, Portugal, Spain and Ireland – not so much Portugal, we can talk about that later – but in this periphery there is significant pressure for measures on the same direction.

It is also important to say that this is done to keep certain national financial commitments untouched, especially those with the very financial sector. So, as far as I know, no one – at least not in the legislative and executive powers – has pushed for a reform of these relationships. So it seems to me that, in the end, the workers are the one who are ultimately paying the bills. This may seem as an old saying, but it can be verified in practice.

I am afraid to keep talking and end up talking too much. I would rather be provoked to speak of more specific themes, and I believe this is the objective here anyway,

Antonio Marcelo Jackson: Surely! Since Renato was the one who issued the invitation to you, I will give him the floor. Renato, the floor is yours.

Renato Henrique de Gaspi: Thank you, professor! Well, Marcelo's explanation was quite clarifying. I've known him for a long time, so we have had this conversation a few times already. Marcelo, I will make a comment worthy of a political scientist that I want to be, tend to be and now, apparently, will be, but it seems to me that since the 2008 crisis we had some immediate reactions. From 2008 to 2009 we had what [Robert] Skidelsky called a "one-year Keynesianism", where you pumped money through the economy only through the banks. I will not enter here on technical discussions about the QE made from 2009... but it seems that much has changed since them, especially on the political scenario, and I believe that the political consequences of this economic crisis are now more clearly felt. I posit that there are a few categories for the political possibilities being tried since then. Firstly, you have the trend of a certain 'authoritarian neoliberalism'. I believe both Macri and Temer do represent this, which consists in enhancing the state's repressive apparatus to be able to push certain reforms that are unpalatable to the population.

A second possibility, and perhaps this was so far only in Portugal, where certain strands of the left united for the first time in history to avoid more setbacks. This is a new possibility of the times, since this was unimaginable before 2008. The third possibility, and this I am taking from a few Irish authors that are now calling their country's recovery a "TI mercantilism", consisting in giving tax breaks to high technology companies to lure them to Ireland thus creating jobs to a certain type of workforce. And maybe we still have the possibility of parties and figures that are actually proto-fascist and represent a type of solution for this economic impasse. This was well observed by [Karl] Polanyi in the 1930s, who posited that an exacerbated kind of liberalism led to a crisis and this crisis led to a complete lack of political options, eventually leading to the known rise of fascism. We thus see a political moment where all bets are off, so many are the trends at play. Coming back to Brazil, we see all of those contesting our 2018 election... we are juggling with all of those possibilities, however only one will actually land safely. You have a 'Macron' style of politician, although not so young, represented by Geraldo Alckmin's bland centrism, but who may benefit from a second round with an extreme-right candidate. He can benefit from a rejection towards an extremist, just like what happened in France. Macron won because Le Pen was absolutely abhorrent for a slice of the population.

Also, Brazil has now a very incipient left-wing union that may grow, but we cannot know whether that is going to happen. What I called an 'authoritarian neoliberalism' can be represented by the same Alckmin, but also by Temer and Álvaro Dias... thus, we have all of these trends in place and I would like to know how do you see this scenario, because it seems that when you look at unemployment, now standing at 13 million people, this may tip the balance and create an even more unstable and uncertain election. I don't want to talk too much, that' it.

Marcelo Soares de Carvalho: Very well, Renato, it is always a pleasure to talk to you about these themes, because you do have a privileged viewpoint from political science, but you also have an economics backdrop, so your point of view is quite enjoyable to me, and I like the way you write and analyse these themes.

About these three possibilities, these three options you talk about, I believe that the Brazilian situation is a bit unique, since we are not any longer living in a democracy. I believe a good part of decisions are being made to the detriment of the people. For example, since the moment that

there was a deposition – through what I say is a coup – of a head of government that was elected through legitimate elections; or since the recognizably arbitrary legal procedures that took former president Lula to jail. At the same time, the main leaders of the parties you listed as one of the alternatives, the PSDB (Brazilian Social Democracy Party in the Portuguese acronym), are waiting to be judged on matters that were proved 12 years ago. So, these examples leave clear that these legal choices are not done equally to all parties. In Argentina, say whatever you will about Mauricio Macri, but he was elected while defending his policies. Macron did the same in France. In Brazil, however, we run the risk of having partially democratic elections, if there is such a thing anyway.

Looking at our current political scenario, I believe that the options are not so clearly identified. On one hand because the biggest leadership that could galvanize the left, the former president Lula, is basically out of combat, on the other, although many attempts were made, there is not one candidate aligned to neoliberalism that looks electorally viable.

The neoliberal project is widely known, though: keep what was done by Michel Temer and push forward an administration that will keep the ‘macroeconomic tripod’, that is, inflation targeting, primary surplus and floating exchange rate. This also means that one is not going to touch the financial sector, who is the main determinant of our exchange rates, and that this government is also going to keep its monetary policy aiming at controlling inflation and so on...

So, this is the project, but who is going to carry it out? Geraldo Alckmin, former São Paulo State governor? It could be and it is the most obvious name, however Henrique Meirelles (former Finance Minister) has attempted to put his name as a viable choice. However, according to the latest polls, this attempt has come to naught. This means that there is still a big question mark as to who will represent this so-called authoritarian neoliberal orientation in the 2018 elections.

Also in this ongoing political scenario you have the serpent’s egg that is being hatched, which is the widely known extreme-right candidacy. And then your parallel with the French scenario is perfect. Jair Bolsonaro's candidacy tends to reach the second round and to be defeated by whomever. However, the mere fact it will reach the second round of the election is already frightening. Without a doubt, our high unemployment rate bloats this even further, and makes such

a candidacy electorally viable. Let us not fool ourselves, this candidacy, even if it loses on the second round, will come back even bigger on the next election.

And since you brought up Marine Le Pen in France, this had already happened with her father Jean-Marie Le Pen. Every time they reach the second round, diverse forces unite to beat them. This does happen, but these candidacies gain muscle. What we see today is that the National Front reached great capillarity in France and that is frightening. It was this insignificant thing in the 90s... look at what is happening in Italy with the *Lega Nord* (Northern League), that follows in the same political line despite the regional and cultural specificities that we can find in Italy. So, all of that is worrisome. However, this is even more frightening in Brazil because we lack a fully-functioning democracy.

One of these days I watched Professor Marcio Pochmann (heterodox economist from the University of Campinas, State of São Paulo) in a presentation at our Federal University of São Paulo and he said that two organizations know more about the Brazilian people than us in academia nowadays: the church and organized crime. And with church he did not mean the traditional, catholic church, but the neo-evangelicals. This is a problem for you political scientists and sociologists. However, this is starting to have some important economic implications because the person who bought a house from the “Minha Casa, Minha Vida” affordable housing project, went to school because of ProUni³ and who had relatives benefitting from some sort of federal income transfer programme is now starting to attribute his or her social ascension to individual merit. This is remarkably coherent to a certain “theology of success (or prosperity)”, which is nowadays a media commodity.

So this stews into quite the political culture where social transformation becomes an even harder option, especially in the sense of protecting labour and protecting the most fragile segments of society from market forces and relationships.

Because of that, we might have to rethink a long term strategy for our struggle for hearts and minds with a bigger work in the basis of society. In the current situation, it is much more likely that

³ A programme where a low-income student who went through a public high school had – either partly or fully – his/her tuition and living costs paid by the federal government. This programme was only for private universities.

desperation will be channelled to a totalitarian solution than to a progressive social protection alternative. It is regretful, but it is what I think.

Antonio Marcelo Jackson: José, your turn now!

José Medeiros: Firstly, I would like to thank professor Marcelo Soares for his participation in our conversation.

I believe that one of our current challenges is to find mechanisms that can gather people who are capable to analyse a certain reality from various angles so we can thus give birth to a more appropriate knowledge to deal or face these challenges. Of course we need people with myriad perceptions, but who share from a common direction. I believe that our International Forum of Ideas is a platform aiming in that direction.

In a general manner, this issue of labour needs to be discussed inside of a national project. What country do we need to build? If we do not share a clear common direction for the country, many groupings will continue to act to maximize their own interests much to the detriment of the common good. Evidently, groupings that are in a more privileged economic condition will act so that society will function to attend a collection of well-organized interests. Thus, these groupings will not only cement their pretensions, but also maintain and augment their privileges. Furthermore, this general scenario is necessary so we can think about the matter of external influences and pressures that are also present in the country.

Professor Marcelo has shown how adverse is the situation of labour in Brazil and how the question of politics has determined our current scenario. In fact, both professor Marcelo and Renato have highlighted the essentiality of politics for the conduction of certain projects. These may be beneficial or detrimental to working conditions. In this sense, we have analysed possibilities for our current electoral scenario.

I was here thinking about the words to the song “Guerreiro Menino” (Boy Warrior) written by Gonzaguinha⁴ where he says that, to human beings, to live is to work and that without work there

⁴ Luiz Gonzaga do Nascimento Júnior (1945-1991), also known as Gonzaguinha was a Brazilian composer and singer. Son of Luiz Gonzaga, the “king of baião”, Gonzaguinha is better known for his

is no honour, and thus, one cannot be happy. That is, work is on the centre of human life. However, currently in Brazilian society, how is work (and workers) looked at by other sectors? For example, how do financiers or capitalists look towards work? How does a farmer or a factory owner see work? Do we still look towards work, and consequently towards workers just as another input to be factored into the cost of our final goods and services?

I consider these to be pivotal matters for us to consider so we can enter into a more profound political dispute, because these issues will determine the political struggle for the very design of our society that is still under construction. A worldview that has, as its major purpose, the maximization of financial profits and material accumulation will always act – be it on a broad or restricted social sense – for the predominance and concretization of this ideal.

In this mentality, human beings are factored in and qualified only by the criteria of their productive efficiency and by these factors only they are either absorbed or discarded. Put in another way, organization and caring for work is directly connected to our conception of the world. Thus, any struggle for better working conditions must be accompanied by ponderations about a worldview and the form of social relationships among human beings.

We need to keep our conscience and our attention focused on the struggle against human “thingification”... a process that was intensified by the objective relationship of a ‘being-commodity’ and its obligation to offer him or herself in the market. We need to fight so the part of ‘being’ still exists. I would go further and say that this is the one of the biggest contradictions that need to be overcome by working human beings. Put in another way, the current great challenge to human development is to create conditions so one can have the freedom to choose if he or she wants to sell his or her labour or not. Or maybe, who knows, instead of selling it, perhaps entering a new stage where consenting collaboration is the predominating version of work.

This is obviously a suggestion for a long-term horizon. However, as said by Professor Marcelo, our immediate challenges are concrete and need to be faced so we can have better working conditions in Brazil. Currently, we have many people in Brazil without a job and when they do

compositions ‘Sangrando’, ‘Mulher e daí’ and ‘Começaria tudo outra vez’ recorded and made famous by Brazilian singer Simone.

have one, these mostly take place in very precarious conditions. Thus, a big part of Brazilian workers not only need to sell their time and working abilities to survive, but also need to face a legal apparatus and a labour market that are not only unfavourable, but outright perverse.

In this matter of ‘thingification’ of human beings, I believe that the worldview that sees the being as a thing has entered a new phase. In the previous phase, we had workforce, in its most bodily sense, as the centre of wealth production. In our current phase, thinking and creativity have become the main force in the maintenance and accumulation of power and wealth and on the control of society and ideas. That is, on our current mode of production, we do not only thingify the bodies of our ‘human commodities’, but we also control their thinking, their main source of creativity and of how we perceive ourselves as individuals and social beings. This is a field that intrigues me, but I am still just starting to study it. However, I would like to leave this to the registers of our discussion, even as just a mere parenthesis.

Another point that we need to think about is how technological development has helped or how it hasn’t for the betterment of working conditions. IT seems to me that this development has being appropriated in order to create new forms of dominance and oppression.

That’s it! I think we need to create some broader understandings. Thank you!

Renato Henrique de Gaspi: Just a quick comment as a provocation so Marcelo can talk about that when he comes to the matter of technology, the primacy of the financial market and the matter of ‘thingification’. I would like to ask Marcelo a question: can we really still talk about working for a living? Because in a world where technology is taking or making obsolete more and more jobs, to the point where is now difficult for states to create conditions to employ and give workers fair pay, can we still condition the existence of human beings to their work? Today *it is conditioned*, if you do not work you cease to exist socially and sometimes even physically because you may starve to death. So in our current scenario one’s social and physical existence is conditioned to you working, can we even still think about this kind of society nowadays? Because it is getting harder and harder.

Antonio Marcelo Jackson: Well Marcelo, there is no lack of themes for you to talk about now!

Marcelo Soares de Carvalho: That's true... well, these are quite broad and complex aspects and, depending on the question or the observation, who am I to present a definitive answer, right? What I do have are some impressions based on dear references. I believe the first must come from Marx. We can only talk about the labour market after the construction he put forth on *The Capital*.

The idea that we can buy and sell labour abstractly is only put in this form and on these terms coming from "The Old Bearded Man". But it is also from Marx a partial answer from the question Professor José made, the idea that once market relations, or a market society is established there is an incessant and omnipresent trend towards commodify social relations. There is also a comment where Marx puts that perhaps even honour can be commodified, and thus, why wouldn't technical knowledge be so as well? Since its infancy, applied technical knowledge has been applied to production and given an essentially economic characteristic.

So what the illuminists had as an idea, that is, getting closer to reality and constructing an alternative, is appropriate in the most utilitarian way possible, and is extirpated of all its humanist trace. Inside a capitalist system, this trend will run through relationships in myriad facets. What happened in the 20th century – and I do not need to explain it in detail to you gentlemen here present – was that we had many examples of just how destructive this capitalism could be. Two major wars and the worst capitalist crisis in history showed mankind just how much another way of organizing society was not only possible, but necessary.

This organizational trend took place exactly to remove from the market certain aspects of our lives. So, for example, child labour – even if there once was a market for there – was taken off the market. Or, for example, the elderly people working, even if there is a market for them, we are not going to allow this to happen, these people have to have the possibility of retiring from the job market. These are examples. Now, some countries took this trend even further saying that health care should not be a commodity, education should not be a commodity, but of course this can only take place if we provide these essential services outside of the mercantile circuit.

It is important to notice that, since the 1970s, this trend was severely reversed and the state – the main organizer of this process of de-commodification – was growingly forced on to the ropes. Thus, this idea that came from the Austrian school, going through public choice theorists, new

classics, new Keynesians and so on, this idea that we need to devolve to the market the possibility of spurring economic growth and then yes, generate social protections via the market.

This idea gained strength and it reigns among us to this day. And look that even after the 2008 crisis we have had this trend: the state is the great agent of economic stabilization – even if it is a precarious and provisional one – diminishing the crisis that was originated in the financial system – again in the United States. The state is thus functional for these situations, but no further. So, in other situations, we still have as valid the logic of commodification. This is visible in myriad aspects, some of those are closer to our reality – such as the proposal from São Paulo’s state government to give vouchers for families so they can get educational services from the private sector. It is an old and *bad idea*, but that does not cease to exist. The idea of constructing relationships, alliances among different social segments or of building, proposing, conceiving another form of organization is profoundly contradicted by an ideology that, although it has failed in practice, is very much present, strong and difficult to fight against. As I said, neo-evangelicals are drinking from this ideology with pinches of *a la carte* transcendence. In the end, the reference is the same though, and this is what makes this problem a lot more complicated.

Now, Renato’s provocation is unavoidable and I do not know if an actual answer is possible, but it is noteworthy that some billionaires have already bought into the idea of a Universal Basic Income. If it was the idea of some dangerous leftist, it would be more of the same. But when this comes from a billionaire, a person who amassed his or her wealth by exploiting labour and using technology in the most market-based way possible, then we may be looking at a recognition that our times of working for a living are becoming increasingly unviable.

I really like British music and I cited in my master’s dissertation a phrase that I found on the CD sleeve of a British band: “unemployment is the final insult to the individual, mass production was the first”⁵. I believe that this phrase is perfect: what it is to commodify the labour force? It is to have a certain time in your life that you can sell or exchange freely and this should be absurd. As Polanyi, who Renato quoted before, he said very clearly: such as land, labour was not a commodity,

⁵ The band is called Electronic and the sleeve was printed on the album *Raise the Pressure*.

it was made a commodity. So, in this circumstance where I can ‘thingify’ – if I can borrow the expression used by Professor José – I do not only ‘thingify’ people, but I naturalize this practice.

Reverting this trend is much more difficult. However, I am an optimist by calling and I believe that the signals for different possibilities are put. I look at Portugal with great hope and I look to Brazil also with great hope. I do that because there is a growing perception that conciliatory politics, where everybody wins, should be used and tested to their limit. But they are not the only option. In certain circumstances, it will be necessary to make choices such as: “who do I take from and to whom do I give?”.

I believe that this lesson was learned even by the most tamed sectors of the Brazilian political left and I can say this without fear of being wrong. I am affiliated to a party, but I am on the minority in certain matters. But we have a growing perception, including among the people who are nowadays working a future plan of government for my party, that there is less space for conciliation. This means that the time of lull, of a growth focused on incorporating the fringes of our population into the consumer market – a trend that was made possible because of favourable external market conditions – is past.

Today we need to grow based on some structural changes. I am happy to see that this is the perception of a part of our policy-makers and not only in one party. However, as I said before, I have some fear that we are not going to have enough democratic space to implement those changes. I am of the opinion that president João Goulart⁶ was deposed exactly for that reason. Fine, we do not have the Cold War anymore, but I believe that we have the same tensions, we still have the same elite that sees labour in a fashion much contaminated by our long experience with slavery. Workers are not seen here as valued members of society, perhaps the most valuable, as other elites see around the world. Here the worker is seen as the ‘loser’ or ‘the other I do not have to respect’. So, this same elite, the one that was there in 1964, is still here. My hopes have to co-inhabit with my fears. I do not know if I was able to touch on all points that were asked of me, but, in my defence, the themes were really very broad and very complex.

⁶ João Belchior Marques Goulart (1918-1976) was Brazilian president from 1961 to 1964 intermitently. His government would defend basic reforms on land, taxation and labour laws, and would be effectively deposed by a civil-military coup in April 1st 1964.

José Medeiros: I believe professor Marcelo was brilliant. He listed our necessities and the most pressing challenges. That is, the challenge that is put to the matter of labour is how to organize it, how to join forces to create conditions to generate larger benefits and avoid setbacks. These were my comments and I am very happy to be here and learning.

Antonio Marcelo Jackson: Well, Marcelo, so it is now my turn to ask a question, because I also promised, despite being a political scientist, not to talk politics. I wanted to piggyback on some of your comments and to come back on your first talk in our Forum today. Firstly, just as a citation, I was reminded during your conversation of a song composed by Wilson Batista⁷.

There is a samba composed by him in 1942 that was censored and said: “He who doesn’t work is right/I say it without fear of being wrong/The tram from São Januário carries another idiot/It is he the one who goes to work.” Then, censors from the Department for Press and Propaganda (DIP in the Portuguese acronym) from the times of president Getúlio Vargas. They told him to change the lyrics, because this would never, not by any chance, be published. In the end, the lyrics of the famous samba “The Tram from São Januário” read: “He who works is right/I say it without fear of being wrong/The tram from São Januário carries another worker/It is me, the one who goes to work”.

Anyway, I was thinking here... we came out, if my memory does not fail me, we came out of the Dilma government with a 4.8% unemployment rate, and we jumped to 13% right now. We don’t need to call attention to what was already said by Professor José, Renato and mainly you Marcelo, to the loss of dignity to the workers in a juncture of high unemployment. However, it is concrete data that higher unemployment means lower state revenue. That being said, the very capacity of the state for taking out credit also diminishes, at least in expectations. I would like to provoke you in the following sense: staying in normal conditions, with all of these falls in GDP, even if there is a miracle and we have positive results in these coming elections, how long will it take for Brazil to bounce back economically?

⁷ (1913-1968), Brazilian composer who gained most notoriety for his rivalry-turned-friendship with Noel Rosa (1910-1937, composer of *Com que Roupa?*, *Conversa de Botequim* and almost 250 sambas through his brief life). This rivalry bore many songs and a partnership among contenders.

Because I am not an economist, I am a historian and political scientist and I felt that, despite certain errors and setbacks during 12-14 years, we build something and now, in two years, we are throwing it all away. Even this slogan put forward by Mr. Temer that said “We came back, 20 years in 2!”⁸ became a crude joke, because we are perceiving clearly a return to our ‘late-coming’ state. But anyway, how long does it take to recover from such a drastic loss in GDP and this brutally high unemployment rate?

Marcelo Soares de Carvalho: I believe this to be incalculable! The very size of the losses that this (dis)government managed to attain in so little time are in itself hard to evaluate, because many were the fields of action.

Fiscally speaking, there was an amendment to the constitution that freezes our social spending for 20 years. Spending with interest is allowed, no problem, you can pay as much as you want, you can “hand out the whole GDP to pay debt”, that’s great. However, primary spending must be controlled. That is just the fiscal side.

The most important side, however, is structural and, in this sense, handing out our oil reserves in the Pre-Salt layer, privatizing Eletrobrás, Petrobrás, Embraer, that is, what would be the basis for national production of wealth with potential to be transformed in social benefits, and our national defence industry, which, to some measure, maintains our sovereignty. When we hand out all of that at once, it is hard to think about a reconstruction.

At the same time, there is a questioning of our police, judicial and media systems that managed to be the demise of those Brazilian companies that had the most space in the international market, private sector companies, that is. To capsize a certain construction company that had a military branch and was connected to the generation of atomic energy together with this whole picture is a little much for us to believe that was coincidental. So, to rebuild of that is extremely hard if not impossible.

And then I will make an observation regarding what Professor José said, and also commenting on what Professor Antônio said: politics are absolutely pivotal for economics, the first name of our

⁸ People in social media took out the comma, and thus the slogan read: ‘We came back 20 years in 2!’.

field was actually “Political Economy”, which I believe to be quite fitting. We lost some of our popularity when Marx wrote *Capital* and elected as subtitle: “a critique of political economy”. Be that as it may, the root of these economic possibilities reside in political determinations, and I believe that there is a clear geopolitical characteristic in everything that has happened in Brazil since 2013, when, still in the first government by president Dilma Rousseff, the federal government loses the first battle with our local financial system, loses the fight against foreign financial capitals and, finally, is forced to capitulate and lose revenue for the reasons you just pointed out.

When the level of economic activity decreases and, for instance, capitalists may decide that it is not the best time to make a productive investment, thus generating another diminishing of economic activity, and thus government gets less revenue. When government has a fall in its revenues, it becomes more fragile facing public opinion, for it will be accused of running a deficit and, perhaps, because of that, generating inflation – although these are completely baseless and stupid theoretical constructions, for we cannot mix public and private finances... these are completely different instruments, different games that are being played.

Although this is so, this is sold to the public in a way that the government is completely cornered. So much is that so that Dilma’s government folded like a cheap suitcase in 2013 and started to up our basic interest rates. She did win the election in 2014, but deployed a programme that was not what she had ran on. Why did she do it? Dilma didn’t know how public economics and finance work? She does have goo knowledge of the field. Why then? Because she lost the fight, of course! It is a game of power. It is politics, economic policy, but what determines it is politics with a capital “P”. What is put as a concrete possibility in front of us for 2019 will depend on the power struggle that will be designed from the end of 2018, if we have elections at all. I believe reconstruction to be too difficult, this is a job for the next 20 years, and certainly in less favourable conditions than those on which we constructed all of the conquests we had in the past few years and are now, largely, demolished.

Antonio Marcelo Jackson: Alright, coming now to closing, let us make our final considerations. Renato, the floor is yours.

Renato Henrique de Gaspi: Thank you, professor. Well, I am going to enumerate my final considerations and will try to use a little bit of everything that was said. Firstly, I would like to say something about this author that I cited, Polanyi, I have been reading him a lot and I quite like his work. Something that was clear today is that we proposed to talk about labour, but wound up touching upon many themes. I believe this have happened because we can hardly analyse anything if we are not aware of at least three levels of analysis, namely: global, national-political and societal. Without these three nothing makes much sense. What is happening on the level of work in Brazil has much to do with our current international juncture and the pressures on Brazil, it has to do with our national politics that were taken by storm in 2016 and by people who have ideas and ideologies about the functioning of the economy that are very different from my own and from Marcelo's. The societal level is tremendously important because Brazilian work ethics is profoundly based on slavery. Marcelo said that and I think this is clear. Gilberto Freyre⁹ was right on many of the themes he talked about. Despite my own reservations with some of his positions, he was right on just how important the matter of slavery was for the foundation of our work ethics in Brazil. Now, I would like to finish in a note that might be understood as optimistic. We are now in this particular moment and, the more I try to get away from my background in International Relations, we are living in a critical juncture around the world. I tend to look at everything through a global prism, – which makes it difficult for me to focus on one line of study – but alright. We are in a completely critical conjuncture, which means, using a technicality in a school of political economy and political science called Constructivist Institutionalism, that the future will be given by the ideas of today. When we reach a moment where the ruling ideological consensus (that has ruled, at least, since 1979) is unravelling in front of us, although it is taking a long time to die, it means that our future will depend on the battle of ideas taking place today. Whoever wins this battle will determine the future. So, the future will be what we make of it now. This moment of critical juncture needs to be taken into account, and, although it looks very difficult and we are in a complicated moment, we do have an opening because we are in transition. Thank you!

⁹ One of Brazil's most eminent sociologists (1900-1987). His most important works are: *The Mansions and the Shanties: the making of modern Brazil* and *The Masters and the Slaves: a study in the development of Brazilian civilization*

Antonio Marcelo Jackson: Marcelo, I will give the floor to Professor José and then you can close. José, go on!

José Medeiros: Firstly, I'd like, on behalf also of Professor Antonio and all of our colleagues, to invite Professor Marcelo to join forces with us at the Forum so we can think about this design and these new dynamics. Brazilian university system and its society are filled with knowledge, however it is very dispersed, isolated, and they need to be united again, so we can direct our specific actions to shape unsettling social realities. I believe in that. So, Professor Marcelo, the invitation is made.

This participation by Professor Marcelo has put our International Forum of Ideas in a new stage, confirming it as a platform for the construction of perceptions and the sharing of reflections in diverse fields of knowledge in a freer and also friendlier manner. Congratulations to Renato for establishing this connection, congratulations to Professor Antonio, because he is the one responsible for taking this idea of the Forum to the Federal University of Ouro Preto, which in turn approved it and accepted it.

Marcelo Soares de Carvalho: invitation accepted!

Antonio Marcelo Jackson: Marcelo, be free to pronounce the last words of our forum today.

Marcelo Soares de Carvalho: I am very happy to have participated in this with you. I believe this was a very constructive moment, pleasant really and I hope to receive this invitation again, because I will accept it gratefully. I would like to laud this initiative once again, because knowledge needs to reach further and I'd like to thank Professor Antonio and Professor José, and especially Renato because he made this contact possible. I thank you for having participated, and, as I said before, it is an important step on the right direction. Thank you for giving me the shoes so I could take part in this march with you.

Antonio Marcelo Jackson: On behalf of the whole group, I'd like to thank the always fantastic participations of José Medeiros and Renato. Our time is really limited. Good night to our Brazilians, and a good morning to our Chinese José Medeiros, and see you next time in our Forum. Thank you very much!