

Brazil's Bolsonaro launches chauvinistic “green and yellow” youth employment program to foster “competitiveness”

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26 November 2019

On November 11, Brazilian President Jair Bolsonaro signed Provisional Measure (MP) 905 creating the so-called “green and yellow” youth employment program. Draping the initiative in the colors of the Brazilian flag is designed to appeal to nationalist sentiments among workers and youth. The launching of the program through a Provisional Measure—a traditional means for Brazilian presidents to introduce pieces of legislation—means that it immediately takes effect, but will expire in two months if not confirmed by Congress.

The program deregulates the hiring of workers between the ages of 18 and 29, exempting companies from the 20 percent payroll tax that funds social security and reducing by 75 percent a mandatory savings kept by employers known as FGTS, which is made available when workers are fired, in order to mitigate the effects of unemployment. The program will essentially end the economic penalties imposed on employers for firing workers, and reduce overall labor costs by 34 percent.

Contrary to official propaganda, which alleges that the program will generate more than one million jobs, it offers no guarantee that companies will increase hiring. The true interest of employers and the government in the program is to replace better-paid older workers with low-wage youth. This is part of a global offensive by capitalist ruling classes against the working class.

The creation of the “green and yellow” jobs program had been proposed by Bolsonaro since his 2018 presidential election campaign. At the time, he insisted that workers must choose between losing rights and gaining jobs, or keeping their rights and losing their jobs. The new hiring regime created by the “green and yellow” program essentially bypasses the Brazilian labor code, and may be adopted for positions paying up to one-and-a-half times the minimum wage (US\$ 356) and cover up to 20 percent of the workforce of a given company. Finance Minister Paulo Guedes, however, has made clear that the government sees such

limitations as a “test case”, and is planning to extend such deregulation to the whole workforce.

The bankruptcy of the nationalist appeal represented by using the national colors to name Bolsonaro’s program is exposed by his own words in his state visit to China last month. He declared that the program’s goal was to “reduce labor costs” in order to attract investment in the face of Brazil’s fall in the ranking of countries according to their “ease of doing business”.

The cynicism of Bolsonaro’s employment program is further exposed by his decision to “balance” the loss of state income with the tax cuts for employers by taxing unemployment benefits. Over the past months, the government has discussed abolishing the employers’ contributions to social security. The solution found by the government to compensate for the 2.3 billion dollars (10 billion reais) robbed from social security has been to tax unemployment benefits by 7.5 percent.

The government’s new measure is further accompanied by other attacks on workers’ living standards. Work on Sundays, forbidden in some sectors, like teaching, will be allowed for the whole workforce. Some changes affect decades-old, hard-won rights of 450,000 bank workers, who will see their working day extended from 6 to 8 hours and the workweek lengthened to include Saturdays.

Brazil is going through the most severe social crisis. The level of social inequality, already among the highest in the world, has grown continuously since 2015. In this period, the poorest half of the population saw its income shrink by 17 percent, while the richest one percent saw it grow by 10 percent. Research by the Getúlio Vargas Foundation (FGV) has shown that the slight reduction in unemployment over the last months is a result of record levels of underpaid and informal work. Workers entering informal jobs this year are paid on average only half (US\$195) of those working in informal jobs before 2019.

Such a situation is bringing ever more instability to

bourgeois rule. Growing unrest among workers, with the country widely viewed by the government itself as teetering on the brink of a social explosion, is reflected only partially in the rapid decline in Bolsonaro's popularity. In the same week he announced the new employment program, Bolsonaro also declared he would leave his Social Liberal Party (PSL), which already faces a higher unfavorable rating than the Workers Party (PT), whose massive rejection among workers after 13 years of rule was responsible for Bolsonaro's election in the first place. Bolsonaro will now engage in the building of a new party, the Alliance for Brazil, whose name is a clear reference to the ruling party of the bloody US-backed 1964-1985 military dictatorship, the National Renewal Alliance (ARENA). Bolsonaro makes no attempt to hide his desire to fulfill a fascistic role in the face of growing social polarization.

Meanwhile, the official opposition and the organizations nominally representing workers have once more shown that their concern is for the defense of the bourgeois order. One of the PT's mouthpieces, *Brasil de Fato*, has exposed the initial reaction of the party to the "green and yellow" program, stating on November 13 that "the opposition parties and union federations" are acting "day and night to warn the House Speaker as to the possible negative effects" of the measure. Said Speaker is Rodrigo Maia, a member of the Democrats Party (DEM), the official successor to the dictatorship's ARENA. He has already guaranteed the passage of Bolsonaro's hated pension reform.

In the following week, on November 18, the opposition parties and their associated unions used an "Employment and Development Conference" to launch a pro-capitalist "National Unity Action Manifesto", using the old language of bourgeois nationalism and directed at appealing to industrial employers to defend "national sovereignty" and "promote growth." Their goal is to keep workers subordinated to nationalist forces and prevent any socialist, internationalist action against the capitalist system as a whole, especially in the face of the growing struggles of Latin American workers.

Included in this front is the Morenoite United Socialist Workers Party (PSTU), which claims to be a revolutionary alternative to the PT. The party endorsed the manifesto through its affiliated CSP-Conlutas union. Despite nominal criticism of the other organizations signing the manifesto, the PSTU insists that the working class should subject itself to them and not break the "unity" of what the conference decided. The PSTU's pseudo-left role is above all to derail any independent action of workers.

The party presents absolutely no opposition to capitalism, with the main union it controls agreeing to the lowering wages in exchange for promised investments at the General

Motors plant in the industrial city of São José dos Campos, 100km east of São Paulo. It agreed to emulate the US two-tier system at General Motors, while stoking anti-American sentiments among workers at the nearby Embraer plant, which was recently bought by Boeing.

The bourgeois nationalist program presented at the conference is nothing more than a repetition of the bankrupt policies previously applied by the PT government, which not only failed to stop firings, but crucially provoked a widespread revolt among workers against the government's open role as the agent of the industrial employers. As soon as the Brazilian economy showed the first signs of deceleration in 2012, the PT's then-president, Dilma Rousseff, scrambled to offer tax breaks for companies, amounting to US\$ 100 billion over her last four years in office, between 2012 and 2016.

With growing unemployment, Brazil's largest union, the CUT, affiliated to the PT, played a farcical role of "suggesting" the government adopt a German-style "lay-off" program resulting in a 30 percent cut in hours and wages in the largest industrial companies, especially in the auto industry, before thousands of workers were later permanently fired.

The PT's policies, imposed with the invaluable help of its affiliated unions, failed to stem an 8 percent drop in GDP between 2015 and 2016 and the loss of a million jobs in industry alone, as the ranks of the unemployed swelled to 14 million workers, or 14 percent of the workforce. The only beneficiaries of these policies were the corporations able to increase the profit rates of their global operations.

The crisis affecting workers' living standards and working conditions in Brazil cannot be solved by means of any nationalist program. The only way forward lies through the independent political mobilization of the working class, guided by an international socialist strategy to put the massive means of production that now serve to generate profit for a tiny minority at the service of the social interests of the world's population.



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