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## *Brazil, Fascism and the Left Wing of Neoliberalism*



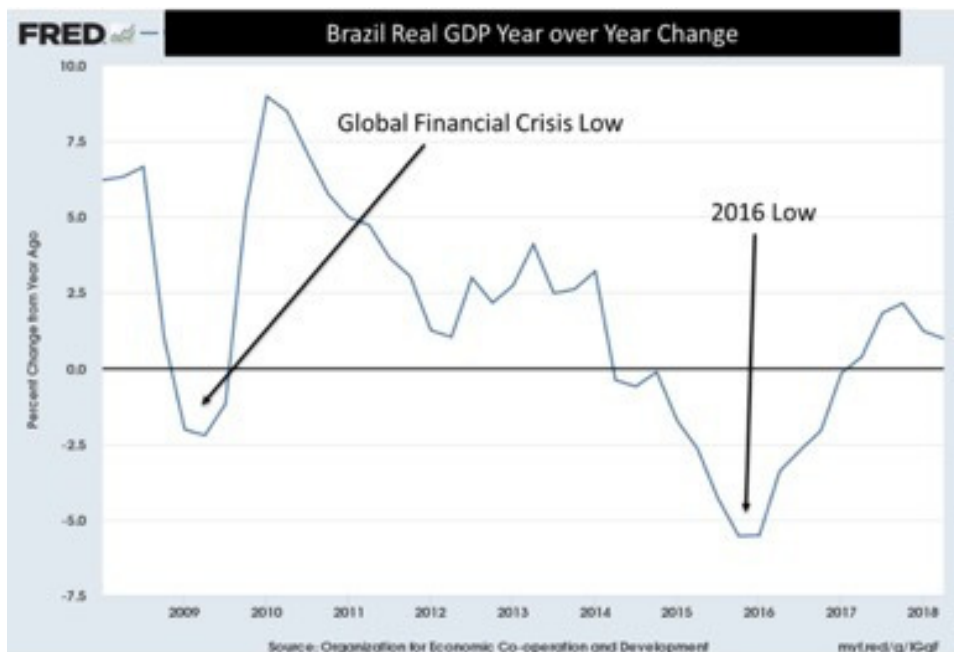
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With Jair Bolsonaro's electoral victory in Sunday's runoff election for president of Brazil, a global resurgence of the radical right is indisputable. Mr. Bolsonaro is a particularly ugly representative of this movement, both politically repressive and culturally intolerant. The question being asked in the bourgeois press is: what psychological malady is taking hold that could persuade voters to elect such a person?

The framing poses the resurgence as inexplicable, as the result of the fundamental flaw of democracy: the voters. A litany of failures is redistributed downward. Because Mr.

Bolsonaro is politically repressive and culturally intolerant, the electorate must want political repression and cultural intolerance. Because Mr. Bolsonaro is a gender bully and homophobic, voters must be gender bullies and homophobic.

Missing from explanations of the rise of Mr. Bolsonaro is that for the last decade Brazil has experienced the worst economic recession in the country's history (graph below). Fourteen million formerly employed, working age Brazilians are now unemployed. As was true in the U.S. and peripheral Europe from 2008 forward, the liberal response has been austerity as the Brazilian ruling class was made richer and more politically powerful.



Graph: Brazil entered recession in 2008 along with much of the rest of the world in the global financial crisis. It re-entered recession in 2012 in what turned into the worst economic downturn in the country's history. The liberal response, sponsored by Wall Street and the IMF, was a decade of austerity. Source: St. Louis Federal Reserve.

Since 2014, Brazil's public debt/GDP ratio has climbed from 20% to 75% proclaims a worried IMF. That some fair portion of that climb came from falling GDP due to economic austerity mandated by the IMF and Wall Street is left unmentioned. A decade of austerity got liberal President Dilma Rousseff removed from office in 2016 in what can only be called a Wall Street putsch. Perhaps Bolsonaro will tell Wall Street where to stick its loans (not).

Back in the U.S., everyone knows that the liberalization of finance and trade in the 1990s was the result of political calculations. That this liberalization was/is bipartisan suggests that maybe the political calculations served certain economic interests. Never mind that

these interests were given what they asked for and crashed the economy with it. If economic problems result from political calculations, the solution is political—elect better leaders. If they are driven by economic interests, the solution is to change the way that economic relationships are organized.

Between 1928 and 1932 German industrial production fell by 58%. By 1933, six million formerly employed German workers were begging in the streets and digging through garbage looking for items to sell. The liberal (Socialist Party) response was half-measures and austerity. Within the liberal frame, the Depression was a political problem to be addressed in the realm of the political. Centrist accommodation defined the existing realm. Adolf Hitler was appointed Chancellor of Germany in 1933, the pit of the Great Depression.

In Brazil in the early-mid 2000s, Luiz Inácio Lula da Silva, better known as Lula, implemented a Left program that pulled twenty million Brazilians out of poverty. The Brazilian economy briefly recovered after Wall Street crashed it in 2008 before Brazilian public debt was used to force the implementation of austerity. Dilma Rousseff capitulated and Brazil re-entered recession. Rousseff was removed from power in 2016. Hemmed in by Wall Street and IMF mandated austerity, any liberal government that might be elected would meet the same fate as Rousseff.

In Italy in the 1920s, repayment of war debts from WWI led to austerity and recession that preceded the rise of fascist leader Benito Mussolini. In Germany, payment of war reparations and repayment of industrial loans limited the ability of the Weimar government to respond to the Great Depression. Liberal governments that facilitated the financialization of industrial economies in the 1920s were left to serve as debt collectors in the capitalist crisis that followed.

Since 2008, the fiscal structure of the EU (European Union) combined with wildly unbalanced trade relationships led to a decade of austerity, recession and depression for the European periphery. In the U.S., by 2009 Wall Street was pushing austerity and cuts to Social Security and Medicare as necessary to fiscal stability. The consequences of four decades of financialized neoliberal trade policies were by no means equally shared. Internal and external class relations were made evident through narrowly distributed booms followed by widely distributed busts.

With the presumed shared goal of ending the threat of fascism:

The ideological premises behind the logic that claims fascists as the explanation of fascism emerge from liberalism. The term here is meant as description. Liberalism proceeds from

specific ontological assumptions. Within this temporal frame, a bit of social logic: If fascists already existed, why didn't fascism? The question of whether to fight fascists or fascism depends on the answer. The essentialist view is that characteristics intrinsic to fascists make them fascists. This is the basis of scientific racism. And it underlies fascist race theory.

The theory of a strongman who exploits people who have a predisposition towards fascism is essentialist as well if receptivity is intrinsic, e.g. due to psychology, genetics, etc. Liberal-Left commentary in recent years has tended toward the essentialist view— that fascists are born or otherwise predisposed toward fascism. Unconsidered is that non-fascists are equally determined in this frame. If 'deplorables' were born that way, four decades of neoliberalism is absolved.

The problem of analogy, the question of what fascism is and how European fascism of the twentieth century bears relation to the present, can't be answered in the liberal frame. The rise and fall of a global radical right have been episodic. It has tied in history to the development of global capitalism in a center-and-periphery model of asymmetrical economic power. Finance from the center facilitates economic expansion until financial crisis interrupts the process. Peripheral governments are left to manage debt repayment with collapsed economies.

Globally, debt has forced policy convergence between political parties of differing ideologies. European center-left parties have pushed austerity even when ideology would suggest the opposite. In 2015, self-identified Marxists in Greece's SYRIZA party capitulated to the austerity and privatization demands from EU creditors led by Germany. Even Lenin negotiated with Wall Street creditors (on behalf of Russia) in the months after the October Revolution. In a political frame, the solution from below is to elect leaders and parties who will act on their rhetoric.

The practical problem with doing this is the power of creditors. Debtors that repudiate their debts are closed out of capital markets. The power to create money that is accepted in payment is a privilege of the center countries that also happen to be creditors. Capitalist expansion creates interdependencies that produce immediate, deep shortages if debts aren't serviced. Debt is a weapon whose proceeds can be delivered to one group and the obligation to repay it to another. The U.S. position was expressed when the IMF knowingly made unpayable loans to Ukraine to support a U.S. sponsored coup there in 2015.

Fascist racialization has analog in existing capitalist class relations. Immigration status, race and gender define a social taxonomy of economic exploitation. Race was invented decades into the Anglo-American manifestation of slavery to naturalize exploitation of Blacks. Gender difference represents the evolution of unpaid to paid labor for women in the capitalist West. Claiming these as causing exploitation gets the temporal sequence wrong. These were / are exploitable classes before explanations of their special status were created.

This isn't to suggest that capitalist class relations form a complete explanation of fascist racialization. But the ontological premise that 'freezes,' and thereby reifies racialization, is fundamental to capitalism. This relates to the point argued below that the educated German bourgeois, in the form of the Nazi scientists and engineers brought to the U.S. following WWII, found Nazi racialization plausible through what has long been put forward as an antithetical mode of understanding. Put differently, it wasn't just the rabble that found grotesque racial caricatures plausible. The question is why?

Propaganda was developed and refined by Edward Bernays in the 1910s to help the Wilson administration sell WWI to a skeptical public. It has been used by the American government and in capitalist advertising since that time. The idea was to integrate psychology with words and images to get people to act according to the desires and wishes of those putting it forward.

The operational frame of propaganda is instrumental: to use people to achieve ends they had no part in conceiving. The political perspective is dictatorial, benevolent or otherwise. Propaganda has been used by the American government ever since. Similar methods were used by the Italian and German fascists in their to rise to power.

Since WWI, commercial propaganda has become ubiquitous in the U.S. Advertising firms hire psychologists to craft advertising campaigns with no regard for the concern that psychological coercion removes free choice from capitalism. The distinction between political and commercial propaganda is based on intent, not method. Its use by Woodrow Wilson (above) is instructive: a large and vocal anti-war movement had legitimate reasons for opposing the U.S. entry into WWI. The goal of Bernays and Wilson was to stifle political opposition.

Following WWII, the U.S. brought 1,600 Nazi scientists and engineers (and their families) to the U.S. to work for the Department of Defense and American industry through a program called Operation Paperclip. Many were dedicated and enthusiastic Nazis. Some were reported to have been bona fide war criminals. In contrast to liberal / neoliberal

assertions that Nazism was irrational politics, the Nazi scientists fit seamlessly into American military production. There was no apparent contradiction between being a Nazi and being a scientist.

The problem isn't just that many committed Nazis were scientists. Science and technology created the Nazi war machine. Science and technology were fully integrated into the creation and running of the Nazi concentration camps. American race 'science,' eugenics, formed the basis of Nazi race theory. Science and technology formed the functional core of Nazism. And the Nazi scientists and engineers of Operation Paperclip were major contributors to American post-war military dominance.

A dimensional tension of Nazism lay between romantic myths of an ancient and glorious past and the bourgeois task of moving industrialization and modernity forward. The focus of liberal and neoliberal analysis has been on this mythology as an irrational mode of reason. Missing is that Nazism wouldn't have moved past the German borders if it hadn't had bourgeois basis in the science and technology needed for industrial might. This keeps the broad project within the ontological and administrative premises of liberalism.

This is no doubt disconcerting to theorists of great difference. If Bolsonaro can impose austerity while maintaining an unjust peace, Wall Street and the IMF will smile and ask for more. American business interests are already circling Brazil, knowing that captive consumers combined with enforceable property rights and a pliable workforce means profits. Where were liberals when the Wall Street that Barack Obama saved was squeezing the people of Brazil, Spain, Greece and Portugal to repay debts incurred by the oligarchs? Liberalism is the link between capitalism and fascism, not its antithesis.

Having long ago abandoned Marx, the American Left is lost in the temporal logic of liberalism. The way to fight fascists is to end the threat of fascism. This means taking on Wall Street and the major institutions of Western capitalism.