

# BRAZIL: DEVELOPMENT STRATEGIES AND SOCIAL CHANGE FROM IMPORT-SUBSTITUTION TO THE “EVENTS OF JUNE”

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## **Abstract**

This article offers a political economy interpretation of the mass protests that took place in Brazil in June–July 2013. This interpretation is based on a review of two development strategies—import-substituting industrialization and neoliberalism—and the class structures associated with them. Examining them helps to locate the sources of current social and political conflicts in the country, and the demands of rival social groups. These strategies are analyzed in light of the forms of protest that have emerged under neoliberalism. They lead to the conceptualization of the “lumpenization of politics” and the “facebookization” of protest in the country.

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**Introduction** Large demonstrations erupted unexpectedly in Brazil in June 2013. The wave of protests lasted until mid-July, and it involved well over one million people in several hundred cities. At an immediate level, the demonstrations spread in response to savage police repression against Left-wing demands for the reversal of a recent increase in public transport fares in the city of São Paulo—fares had risen from R\$3 to R\$3.20 earlier that month.<sup>1</sup> Repeated street clashes in São Paulo catalyzed a country-wide explosion. The federal government, led since 2003 by the Workers’ Party (*Partido dos Trabalhadores*, PT), was stunned.

As the demonstrations grew in size, their social composition, political demands, and sources of support shifted. The movement departed from a radical Left-wing platform, including demands for free public transport and improvements in the provision of public services. These were overwhelmed

by the entry of a disparate mass of middle-class demonstrators supported by the mainstream media. The movement's agenda shifted to the Right; the marches also became less cohesive. On inspection, each demonstration was found to include a multiplicity of marches that might or might not meet at some point. Vandalism and clashes with the police flared with increasing regularity, and numerous instances of police infiltration came to light.

The Left parties, trade unions, and social movements realized that something was wrong. They met in São Paulo on 21 June, issued a list of demands, drafted a letter to President Rouseff, and agreed to a national day of mobilizations on 11 July around issues of immediate interest to the working class. The federal government called a meeting in Brasília to propose a "national pact" and Constitutional reforms, and the Left withdrew from the streets. The demonstrations deflated in a matter of days.

This article offers an interpretation of the background and context of the "Events of June," drawing upon a Marxist analysis of the economic and social transformations in Brazil since the "double" transition from import-substituting industrialization (ISI) to neoliberalism, and from the military regime to political democracy, between the mid-1980s and the early 1990s. These two transitions have transformed the class structure of Brazilian society and have unleashed tensions that eventually exploded in mid-2013. These tensions have been simmering ever since, and may be followed by further explosions with a similar character in the months and years to come. Finally, the article argues that the form of the protests was symptomatic of the social implications of the neoliberal transition; specifically, it has led to the lumpenization of politics and the facebookization of protest in Brazil.

This article includes this introduction and six substantive sections. The first section reviews the two development strategies in the postwar Brazilian economy, ISI and neoliberalism, and the social structures associated with them. The following four sections examine the most important social classes in the country: the bourgeoisie, the working class, the informal proletariat, and the middle class. The sixth section suggests how this class structure has contributed to the emergence of peculiar forms of protest in Brazil. The final section draws the relevant conclusions.

**From Import-Substitution to Neoliberalism** Brazilian ISI was part of a state-led strategy of conservative modernization driven by the expansion of manufacturing industry, with the primary objective of replacing imports. Manufacturing growth departed from the internalization of the production of nondurable consumer goods; it later deepened to include the production of durable consumer goods and simple basic goods and, eventually, capital goods and some technologically complex goods. The share of agriculture in gross domestic product (GDP) declined from 36 percent in 1910 to 10 percent in 1980, while the share of manufacturing rose from 14 percent to 41 percent.<sup>2</sup> These shifts were associated with high per capita income growth rates, exceeding seven percent per year between 1950 and 1980.

Rapid manufacturing-led development generated a high demand for labour, leading to a marked increase in formal employment (see Table 1).<sup>3</sup> At the same time, income inequality also increased, especially during the military dictatorship (1964–1985). The real minimum wage declined, on average, by 1.6% per annum between 1960 and 1980<sup>4</sup>; at the end of this period, the richest 10 percent of the population captured around 50 percent of the national income, while the top 20 percent captured two thirds.<sup>5</sup>

**Table 1. Distribution of the Workforce, 1940 and 1980 (%)**

	1940	1980	Annual growth rate
<b>Workforce</b>	100.0	100.0	2.6
<b>With paid occupation</b>	93.7	97.2	2.6
<b>Of which:</b>			
<b>Employer</b>	2.3	3.1	3.3
<b>Waged</b>	42.0	62.8	3.6
<b>Formal</b>	12.1	49.2	6.2
<b>Informal</b>	29.9	13.6	0.6
<b>Own account</b>	29.8	22.1	1.8
<b>Unpaid</b>	19.6	9.2	0.6
<b>Unemployed</b>	6.3	2.8	0.5
<b>Precarious work*</b>	55.7	34.1	1.1

\* Own account + unpaid + unemployed.

Source: Pochmann, *Mercado Geral de Trabalho*, p. 126.

The oil shocks in the 1970s and the international debt crisis in the 1980s created significant macroeconomic difficulties for the country. Brazil's balance of payments, fiscal and exchange rate troubles culminated in a gradual slide towards hyperinflation, which peaked only in the 1990s. Social conflicts and political instability increased in tandem, and a large campaign for democracy eventually led to the transfer of power to a civilian president in 1985.

The political transition to democracy was followed by an economic transition from ISI to neoliberalism, which was completed in the administrations led by Fernando Collor (1990–1992) and Fernando Henrique Cardoso (1994–2002). Successive economic reforms led to the liberalization of trade, finance, and capital flows, introduced contractionary fiscal and monetary policies, imposed central bank independence and inflation targeting, and enacted a large programme of privatizations leading to the dismissal of half a million workers.<sup>6</sup>

The neoliberal reforms were accompanied by the “flexibilization” of labour law and by the promotion of alliances between foreign and domestic capital. These reforms dismantled many production chains established under ISI, and they transformed the country's social structures and patterns of employment through the growth of open unemployment and the diffusion of precarious forms of employment. Changes in production included large-scale automation and the diffusion of lean production methods, just-in-time systems, and total quality control. They were accompanied by the simplification of managerial structures (which drastically affected the employment opportunities for the middle class), extensive subcontracting, and the regional dispersion of plants. The traditional manufacturing centres in and around São Paulo suffered extensive deindustrialization.

These economic shifts led manufacturing productivity to increase annually by 7.6% between 1990 and 1997; at the same time, manufacturing employment declined by 40 percent (1.5 million manufacturing jobs were lost in the 1990s).<sup>8</sup> Low aggregate demand reduced economic growth, which, in turn, depressed investment, in a vicious circle: per capita income rose only 2.7% per annum between 1981 and 2003, and Brazil fell from being the world's eighth largest economy, in 1980, to fourteenth, in 2000.

Poor economic performance was accompanied by a large shift of employment towards the informal sector (see Table 2).<sup>9</sup> During the 1990s, 54 percent of the jobs created were either informal or unwaged,<sup>10</sup> and, by 1997, the informal sector employed 12 million workers, or 25 percent of the urban workforce.<sup>11</sup> Unemployment in the metropolitan areas increased from 8.7% in 1989 to 18.3% in 1998, and the average length of unemployment increased from 15 to 36 weeks.<sup>12</sup> The cumulative result was the decline of the share of labour in national income from 50 percent, in 1980, to around 40 percent.<sup>13</sup>

**Table 2. Distribution of the Workforce, 1980 and 2000**

	1980	2000	Rate of growth (% p.a.)
<b>Workforce</b>	100.0	100.0	2.9
<b>% with paid occupation</b>	97.2	85.0	2.2
<b>Of which:</b>			
<b>Employer</b>	3.1%	2.4%	1.6
<b>Waged</b>	62.8%	57.2%	2.4
<b>Formal</b>	49.2%	36.3%	1.3
<b>Informal</b>	13.6%	20.9%	5.1
<b>Own account</b>	22.1%	19.1%	2.1
<b>Unpaid</b>	9.2%	6.3%	0.9
<b>Unemployed</b>	2.8%	15.0%	11.9
<b>Precarious work*</b>	34.1%	40.4%	3.7

\* Own account + unpaid + unemployed.

Source: Pochmann, *Mercado Geral de Trabalho*, p. 130.

The state played a key role in the transformation of these patterns of employment, not only through the imposition of neoliberal reforms, but also through the deregulation of labour markets, the lax implementation of labour law, the employment of large numbers of precarious and subcontracted workers, and the repression of the organized workers—most clearly during the oil workers' strike in 1995.<sup>14</sup>

The economic, political, and distributive shifts associated with the transitions to democracy and to neoliberalism have realigned Brazil's class structure.<sup>15</sup> The country's class structure includes the elite (the bourgeoisie and the middle class) and the broad working class (the proletariat and the informal proletariat, which, in turn, comprises the semiproletariat and the lumpenproletariat).<sup>16</sup> As a rough approximation, the 2010 Census suggests that less than one percent of a population of 200 million is part of the class of capitalists; around 70 percent are formal and informal workers, 16 percent are in the middle class, and 11 percent are in the semi- and lumpenproletariat.<sup>17</sup>

**The Bourgeoisie** The bourgeoisie, or class of capitalists, owns the means of production, including productive and interest-bearing capital, the bulk of the titles of ownership to fictitious capital, large-scale commercial capital, and large landed property. This class directly or indirectly employs the wage workers, controls the allocation and performance of labour and the level and composition of output and investment, and claims the surplus value produced. The Brazilian bourgeoisie includes two fractions, distinguished by their relationship with the form of the process of accumulation and, specifically, with neoliberalism, international integration, and financialization.

The neoliberal bourgeoisie is closely aligned with the interests of transnational foreign capital and globalized finance. It includes, primarily, the owners of financial capital (banks, insurance companies, large consultancies, and accountancy firms), transnational and internationally integrated manufacturing capital, and the media. This fraction was politically dominant during the administrations led by Fernando Collor and Fernando Henrique Cardoso. The neoliberal bourgeoisie rejects a national development strategy; instead, its priority is the financialization and further international integration of the Brazilian economy.<sup>18</sup> This project is anchored institutionally by policies of inflation targeting, central bank independence, the liberalization of international capital flows, privatizations and market liberalization, the dismantling of state capacity to allocate resources and steer the process of development, and the rejection of state-led structures of redistribution. This group tends to support the Brazilian Social Democratic Party (PSDB) and its allies.

The internal bourgeoisie includes most owners of manufacturing conglomerates; the leading capitalists in construction; agribusiness; food production and other domestically owned industries; and some banks, especially in the state sector. This fraction has a contradictory relationship with neoliberalism and state policy. While it tends to support neoliberal labour market and social policies for ideological reasons, it also recognizes that government intervention, skeletal social protection, and rising minimum wages increase political stability and social cohesion, and expand the domestic market. This fraction of the bourgeoisie also wishes to expand its scope for accumulation at a global level, especially in the South, which can be done only with state support. Consequently, the members of this fraction demand not only fiscal rectitude and a large role for the private sector, but also low real interest rates, state investment in infrastructure and in research and development, diplomatic assistance, subsidized loans from the Brazilian Development Bank (BNDES),<sup>19</sup> preferential rules for state procurement, and restrictions against the penetration of foreign capital in Brazil. This fraction rejects the wholesale liberalization of trade and capital flows because these threaten its competitive position in the country, and it is skeptical about the reinforcement and expansion of the civil service engineered by the Lula administration, even though this is essential to make the political programme of the internal bourgeoisie viable.

The internal bourgeoisie supported only reluctantly the neoliberal reforms introduced by Fernando Collor, and its members were quick to join the national mobilization for his impeachment for corruption, in 1992.<sup>20</sup> They opposed the neoliberal programme of the Cardoso administration and, by and large, supported the election of Lula in 2002. In 2005, Lula's administration was paralyzed by a Right-wing offensive triggered by the *mensalão* scandal, involving allegations that government officials paid deputies and senators a monthly stipend in exchange for votes. Despite the challenges posed by the scandal, the internal bourgeoisie provided continuing support to Lula, and was rewarded with the appointment of a neodevelopmentalist Minister of Finance, Guido Mantega, in March 2006.

Lula was comfortably re-elected in October 2006, thanks to the transformation in his base of support: he lost the middle class after the *mensalão*,

but conquered the informal workers because of the distributive programmes introduced in his first administration: *Bolsa Família*, university admissions quotas, mass connections to the electricity grid (the Light for All Programme, *Luz Para Todos*), and the rapid rise of the minimum wage since mid-2005, which triggered automatic increases to most pensions and benefits.

In his second administration, Lula maintained the existing neoliberal macroeconomic policy framework, but introduced, in addition to it, elements of a neodevelopmentalist strategy that privileged the interests of the internal bourgeoisie. The neodevelopmentalist policy inflection and the favourable global environment in the mid-2000s led to a marked uplift in macroeconomic performance and in employment creation, and supported an unprecedented reduction of inequality.<sup>21</sup>

In sum, the conflict between the two fractions of the bourgeoisie expanded enormously the political space available to the PT, precisely when its traditional base in the industrial working class, in the unionized civil service, and among formal service-sector workers had been eroded by the neoliberal reforms. In this sense, the neodevelopmentalist policy inflection of the PT brought together the interests of the internal bourgeoisie and those of the broad working class, under the hegemony of the former (see below).

**The Working Class** The working class does not own or control the main productive and financial assets in the economy, and does not control the process of labour or the conditions under which it is performed. This class reproduces itself primarily through the regular sale of its labour power for a wage, regardless of the structure of the labour markets, the content of the labour performed, and the use value of its product, and whether or not their work is directly productive of surplus value.<sup>22</sup>

The neoliberal reforms have increased significantly the heterogeneity of the Brazilian working class. While the working class created under ISI was based on a fast-expanding manufacturing sector, today's workers have a much more diversified employment pattern centred in urban services. The contemporary working class also includes a large proportion of young, low-paid, poorly educated, badly trained subcontracted workers, who have difficulty accessing stable and well-paid jobs both because there are fewer

of these jobs available, and because those workers are ill-prepared to apply for the available posts.<sup>23</sup> Even when they are employed in the formal sector, today's workers have less job security than their predecessors had in the 1970s.<sup>24</sup> They also routinely rely on state benefits that were unavailable to the earlier working class under ISI.

In the absence of a realistic prospect of socialist transformation,<sup>25</sup> the working class shares with the informal proletariat a material interest in policies leading to the reduction of poverty and inequality, and with the internal bourgeoisie an interest in expansionary macroeconomic policies and domestically-centred capital accumulation. These ambitions can best be secured through a democratic and pro-poor development strategy, including activist industrial policies, low interest rates, exchange rate management, and controls on finance and on international capital flows.<sup>26</sup> From the point of view of the broad working class, these policies should be supported by, first, labour-market measures, including employment and wage growth, the formalization and regulation of the labour markets, improvements in working conditions, and the limitation of working hours; and, second, the consolidation of the civic rights in the Constitution—among them, the provision of quality public health, education, transport, housing, sanitation and security, and the expansion of federal income transfer programmes. Evidently, these progressive goals are incompatible with the project of the neoliberal bourgeoisie, for whom social cohesion and the construction of a diversified, integrated, and technologically advanced economy with a strong manufacturing sector would be either superfluous or undesirable.

There is, however, a significant divide within the “national developmentalist bloc” concerning the sources of funding for its economic strategy. The broad working class would benefit from a more progressive tax system, including a wealth tax and higher property taxes, while the elite objects strongly to any additional taxation. The contradiction in the political programme of the internal bourgeoisie and fractions of the middle class (that is, wishing for growth, but expecting someone else to fund it) can be resolved, in part, through the use of the country's natural resource rents to finance the provision of infrastructure and the expansion of the domestic market. More generally, as the working class is not limited by the political

contradictions of the internal bourgeoisie and the middle class, nor by the dispersion of the informal proletariat (see below), it can become the most dependable source of support for a pro-poor and democratic development strategy. This would appear to transform the experience of the second Lula and the Dilma Rousseff (2011–2014) administrations, when the neo-developmental compact was led by the internal bourgeoisie.

This political project of the working class can be limited at two levels. First, although the working class as a whole would benefit from the implementation of a pro-poor development strategy, its most organized and better-off segments (e.g., São Paulo metalworkers, employees in the oil and bank sectors, middle-level civil servants) could choose to go it alone, betting that a market-led economic and industrial relations strategy might benefit them at the expense of weaker categories of workers and the informal proletariat.<sup>27</sup>

Second, there are emerging divisions within the working class—and between them, the informal proletariat and the middle classes—around the provision of public services. For example, as incomes rose and formal employment expanded since the mid-2000s, the demand for private healthcare and education boomed because they are perceived to have better quality than the (free) public services. In 2010, the number of buyers of private health plans increased by nine percent (twice the rate of growth in the 2000s), and reached 24 percent of the population. It is a similar situation in education: in 2003, 11 percent of children in basic and secondary education attended private schools, but this proportion recently reached 16 percent.<sup>28</sup> The choice between finding market alternatives to immediate problems or investing in improvements in public provision cuts across classes and fractions; this dilemma becomes especially significant politically when incomes rise enough to make the choice of going private realistic, for the first time, for millions of relatively poor people.

Difficulties of a different order concern the inexperience of the new working class in social struggles, given the long interval that has passed since the previous peak in mobilizations, which took place between the mid-1970s and the late 1980s. Trade union activity declined sharply in the 1990s, measured by the number of strikes, the fragmentation of collective

bargaining, and the decline in trade-union-led agreements.<sup>29</sup> Nevertheless, trade union membership rose from 11 million in 1992 to 16 million in 2009, largely because of the expansion of the labour force. Union membership declined marginally between 1992 and 1999, from 16.7% of the workforce to 16.1%, possibly because of the neoliberal transition. It subsequently increased to 18.6% in 2006, as economic and political conditions became more favourable, but fell slightly to 17.2% in 2011.<sup>30</sup>

There has also been a tentative recovery of strike action in recent years. In the second half of the 1980s there were around 2,200 strikes per year in Brazil. The number of strikes fell below 1,000 between 1991 and 1997, and declined further afterwards. Numbers started climbing again in the mid-2000s, from 300 strikes per year between 2004 and 2007 to nearly 900 in 2012 (see Tables 3 and 4). These strikes involved an increasing share of private-sector workers, and often took an offensive character, leading to gains in real wages and working conditions, rather than merely defending existing agreements. Despite these achievements, the number of strikers has fluctuated between 1.2 million and 2 million per year, with no discernible trend, and most strikes remain concentrated in the traditional sectors (that is, metal-mechanic; oil; construction; banks; education; health; and the civil service), where pay and working conditions are already better, the workers are more experienced, and the trade unions are stronger.

**Table 3. Brazil: Number of strikes, 2004–2012**

	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Public sector</b>	185	162	165	161	184	251	269	325	409
<i>Civil servants</i>	158	138	145	140	155	215	234	296	380
<i>SOEs</i>	27	24	20	21	29	36	35	29	29
<b>Private sector</b>	114	135	151	149	224	266	176	227	461
<b>Public and private</b>	3	2	4	6	3	1	1	2	3
<b>Total</b>	302	299	320	316	411	518	446	554	873

Sources: Boito and Marcelino, "Decline in Unionism?" pp. 66–67 and <www.dieese.org> (*Balanço das Greves*).

**Table 4. Brazil: Number of striking workers, 2004–2012 (\*)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Public sector</b>	826,074	1,380,585	770,240	713,259	1,305,683	555,975	1,143,430	1,049,450	561,529
<b>Civil servants</b>	<i>791,920</i>	<i>1,137,423</i>	<i>729,600</i>	<i>546,955</i>	<i>1,103,384</i>	<i>443,101</i>	<i>1,111,048</i>	<i>981,492</i>	<i>541,294</i>
<b>SOEs</b>	<i>34,154</i>	<i>243,162</i>	<i>40,640</i>	<i>166,304</i>	<i>202,299</i>	<i>112,874</i>	<i>32,382</i>	<i>67,958</i>	<i>20,235</i>
<b>Private sector</b>	249,258	484,915	388,673	641,766	603,441	795,399	242,856	711,651	811,627
<b>Public and private</b>	216,000	161,000	201,100	82,750	134,000	216,660	196,460	288,920	**
<b>Total</b>	1,291,332	2,026,500	1,360,013	1,437,769	2,043,124	1,568,034	1,582,746	2,050,021	1,373,156

\* Number of strikers calculated from a subset of the strikes reported in Table 3 for which workers' numbers are available.

\*\* Included in the SOEs.

Sources: Boito and Marcelino, "Decline in Unionism?" pp. 66–67 and <www.dieese.org> (*Balanço das Greves*).

Although the working class seems to be recovering its traditions of struggle, this is a very different working class from that which led the previous cycle of mobilizations. First, this class is more atomized and relatively inexperienced in collective action. Second, there is an observable narrowing of ambition and a rejection of aspirations to change society and the economy. Most young workers grew up under a heavily antistate, antipolitical, and anticollective-action discourse that has been propagated relentlessly by the neoliberal media. Their aspirations are shaped by individualism and consumerism, and they tend to conform to the limitations imposed by neoliberalism. Third, there is no evidence that the new working class has found either the strength or the interest to organize through trade unions or radical Left parties, or that it has identified alternative forms of representation and channels of mobilization supporting socially transformative goals.<sup>31</sup> The task of finding mechanisms of representation supporting a radical project is further complicated by the workers' attachment to direct forms of web-based communication. In other words, the new working class is largely paralyzed by the social, technical, and cultural divisions introduced by neoliberal capitalism.

**The Informal Proletariat** The informal proletariat includes the semiproletariat and the lumpenproletariat, and it encompasses a wide range of heterogeneous groups. Informal workers do not own nor control means of production, do not regularly produce standardized commodities, and are not routinely hired in structured labour markets; however, they may have limited means for the occasional production of commodities (for example, unsophisticated tools, small plots of land, or a few animals). They tend to be domestic servants, unregistered street sellers, irregular (unskilled) workers, prostitutes, or vagrants and criminals. Their survival strategies are normally based on occasional wage work (either irregular productive labour or work paid out of revenue rather than variable capital), informal exchanges, or opportunistic engagement with the surrounding economy and reliance on transfers, which may be legal (state benefits or remittances from relatives), voluntary (charity), or involuntary (crime).

The dividing line between the informal proletariat and the (formal) working class has become increasingly permeable in so-called liberalized labour markets. One or two generations ago, the informal proletariat was the condition of life of a relatively stable lumpenproletariat, a temporary holding station for aspiring formal-sector workers who had fallen on hard times or recently migrated from the countryside,<sup>32</sup> or the provider of ancillary goods and services for capital. The pattern of accumulation under neoliberalism has largely fused the informal proletariat with the margins of the working class.<sup>33</sup> Millions of semi-and lumpenproletarians offer capital a readily available reserve of labour, which may be mobilized either directly, through the payment of wages or, in disguised form, as “independent” microentrepreneurs (for example, handymen, hairdressers, drivers, door-to-door retailers, home-based-food producers, street sellers, and so on). The strong performance of the Brazilian economy in the 2000s led to many informal workers being absorbed into the formal labour market,<sup>34</sup> but this has not changed their marginal position, where they can easily be deposited again when accumulation slows down.

The historical ambition of the informal proletariat is its own extinction, either through its absorption into the working class through formal employment, or into the middle class through entrepreneurship. Their heterogeneity, precarious economic position, and self-destructive strategic aspirations suggest that the informal proletariat cannot normally articulate coherently an alternative mode of social organization, and it will rarely develop stable political alliances.<sup>35</sup>

The informal proletariat has strong reasons to support the distribution of income and assets (especially land), the social provision of basic goods and services, and government income-transfer programmes, making it a natural ally of the working class around a pro-poor development strategy. In turn, the working class has a vital interest in the improvement of the lot of the informal proletariat, not only out of solidarity, but also to prevent employers from undercutting their pay and conditions. Nevertheless, because of its economic and social insecurity and its inability to develop strong bonds of work-based solidarity, the informal proletariat tends to abhor political uncertainty and social chaos.<sup>36</sup> Its members also tend to project their potential for

political intervention onto external (possibly Napoleonic) figures, who may deliver their aspirations autonomously. This helps to explain the occasional attachment of the informal workers to authoritarianism including, most recently, their support for the rabidly neoliberal Fernando Collor, who promised to protect the “shirtless” while implementing a neoliberal programme that fleeced the entire working class.

The informal proletariat’s attachment to the neoliberal reforms was not primarily because of “idiocy” or powerlessness: the informal proletariat can benefit directly from the lower cost of living due to the imposition of orthodox policies to secure low inflation and, similarly, from the overvaluation of the exchange rate, which cheapens imported consumer goods. The informal proletariat can also gain from the expansion of credit associated with financial liberalization and larger inflows of foreign capital, regardless of their adverse implications for (a remote prospect of) stable employment. The informal proletariat’s support of authoritarian and socially regressive neoliberal policies may also include a generalized rejection of state intervention, which allegedly benefits the insiders—that is, corrupt politicians, oligopolistic entrepreneurs, formal sector workers, and civil servants—against outsiders such as themselves. This is, evidently, a self-defeating strategy in the long term because inflation control and the reduction of state capacity to intervene in the economy benefit primarily the rentiers, whose financial gains are secured, and the large capitalists, who can easily move to new economic sectors. In turn, public service cuts can divide the broad working class, remove an important platform for democratic economic and social change, and dismantle two of the best-organized segments of the working class: the civil servants and the employees of state-owned enterprises (SOEs).

The social and political contradictions enmeshing the informal proletariat tend to create considerable difficulties in their social organization and mobilization, and lead to volatile political attachments and infrequent, but explosive, mobilizations. For example, these social groups have been associated with the destruction of buses and train stations following tariff increases in Brazil since the 1940s.<sup>37</sup> Nevertheless, the lasting success of the Landless Peasants’ Movement (*Movimento dos Trabalhadores Rurais Sem Terra*, MST)

demonstrates that certain fractions of the informal proletariat can be consistently organized, disciplined, and radicalized.

**The Middle Class** The middle class (petty bourgeoisie) assists the reproduction of capitalist society through the provision of services supporting the extraction, accumulation, investment, and consumption of surplus value. However, it does not itself own or control significant productive or financial assets. This class includes the managers of most large and medium-sized private firms, the cadres of the state bureaucracy, skilled professionals offering nonreproducible services (such as lawyers, doctors, engineers, teachers, artists, chefs, and so on),<sup>38</sup> independent merchants, small-scale rentiers and commercial landowners, and entrepreneurs hiring a small number of workers, often family members. (However, own-account or subcontracted wage workers producing standardized commodities or providing undifferentiated services, and dependent on a disguised wage, belong to the working class.)

The middle class and the informal proletariat comprise heterogeneous groups connected only indirectly to the dynamic core of capitalism; they do not have the economic power of the bourgeoisie nor the political power of the organized workers. In contrast with the relatively amorphous informal proletariat, however, fractions of the middle class have the economic and cultural wherewithal to articulate their demands through the political system, the media, trade unions, nongovernmental organizations (NGOs), lobbies, and the justice system. Consequently, the middle class can express its economic interests and ideological prejudices very efficiently, even though these may be diverse or even internally contradictory.<sup>39</sup>

The fundamental tension within the middle class is between the economic attraction of joining the bourgeoisie (necessarily on an individual basis) and the political commitment to notions of social justice, which may be inspired by religious ideas, democratic values, or ideological support for a level playing field against bourgeois power. This cleavage can lead to the attachment of the middle class to contradictory and potentially volatile political platforms. On the one hand, the middle class can align itself with the workers and the underprivileged, for example supporting the extension of democratic rights and distributive economic policies, which can also increase the space avail-

able to middle-class-led small and medium enterprises (SMEs). This alliance may include even instances of voluntarism and ultraradicalism, especially among students, civil servants, intellectuals, and some religious leaders.<sup>40</sup>

On the other hand, middle-class groups can incorporate a capitalist ethics of competitiveness, accumulation, and social exclusion, typically among managers, small-business owners, and landowners, leading them to support political authoritarianism in order to secure their property rights and social privileges by political, bureaucratic, or symbolic means. These groups can join Right-wing parties, demand bureaucratic protection to specific professions (for example, in Brazil, economics, journalism, and psychology, in addition to the more usual cases of medicine, engineering, and law), or purchase disproportionately expensive homes, cars, clothes, and personal care in order to emulate the bourgeoisie and differentiate themselves from the working class (which may become contaminated by these values and, in turn, seek to emulate the patterns of consumption of the middle class).

The search for exclusivity can lead the middle class to support neoliberal policies, including overvalued exchange rates (which cheapen imported consumption goods and foreign holidays), the liberalization of finance and capital flows (for easy credit), and foreign direct investment (FDI) (for skilled jobs and easier or cheaper access to fashionable goods). More often than not then, the middle class gravitates towards capitalist values and the political Right, and it often plays an important role securing the ideological hegemony of the bourgeoisie through the schools, universities, churches, and the media, which are normally managed by middle-class professionals.

The attachment of the Brazilian middle class to its privileged status, and its aversive rejection of encroachment by the broad working class, has fuelled resistance against the expansion of social rights and the redistributive achievements of the PT administrations.<sup>41</sup> This is understandable. The middle class has been squeezed in the last 30 years by the exhaustion of ISI, the growth slowdown, the retreat of traditional occupations after the neoliberal transition, and the low-wage intensity of the recovery since the mid-2000s.

During this decade, 21 million jobs were created (in contrast with 11 million during the 1990s; see Tables 5 and 6). Around 80 percent of these jobs were in the formal sector.<sup>42</sup> Significantly, 90 percent of jobs created in

the 2000s paid less than 1.5 times the minimum wage (in contrast with 51 percent in the 1990s), while 4.3 million jobs paying more than five times the minimum wage were lost in the 2000s (in contrast with the creation of 950,000 such jobs in the 1990s). Unemployment fell sharply, especially in the lower segments of the labour markets, reaching less than 10 percent of the workforce for the first time in decades.<sup>43</sup> In sum, good employment opportunities are increasingly scarce, especially for the youth, who can rarely replicate their parents' social and economic achievements. The middle class desperately wants economic growth, but it remains attached to a neoliberal ideology that prevents growth.

**Table 5. Brazil: Net New Employment Creation (Thousands)**

	1970s	1980s	1990s	2000s
> 5 minimum wages	2,856	5,980	953	-4,279
3 - 5 minimum wages	3,100	3,377	482	311
1.5 - 3 minimum wages	5,437	4,084	4,002	6,122
< 1.5 minimum wages	5,892	4,586	-295	19,941
Unwaged	-62	126	5,905	-1,080
Total	17,223	18,153	11,047	21,015

Source: Pochmann (2012), p. 27.

**Table 6. Brazil: Distribution of Wages (%)**

	1970	1980	1990	2000	2009
> 5 minimum wages	4.7	9.6	14.5	16.7	7.5
3 - 5 minimum wages	4.3	10.0	11.4	12.0	8.9
1.5 - 3 minimum wages	13.8	21.1	21.3	25.5	24.9
< 1.5 minimum wages	64.3	51.9	45.3	34.3	47.8
Unwaged	12.8	7.4	7.5	11.5	10.9

Source: Pochmann (2012), p. 28.

The middle class also has strong ideological objections to the distributional economic strategy of the PT administrations. This strategy has led to the erosion of the middle class's relative status because of the continuing prosperity of the bourgeoisie and the emergence of the broad working class. The latter has been fuelled by the new pattern of employment outlined

above, and by a rising minimum wage (which is a cost for the middle class, as a net buyer of low-end personal services), means-tested transfer programmes funded by general taxation (which the middle class helps to fund, but cannot claim), the incorporation of millions of workers into formal labour markets, the diffusion of higher education, and, more recently, the expansion of employment rights to the domestic workers; while the top becomes increasingly distant, the bottom seems to be catching up fast.

These difficulties have supported the proliferation of SMEs as a potential escape route for the middle class, sometimes in areas in which their owners have neither the appropriate skills nor relevant experience, and requiring heavy borrowing in order to keep them afloat. Since the entrepreneurial route may also offer an avenue for improvement in the broad working class, there can be a large constituency supporting cheap credit, tax cuts, and institutional support for SMEs. These demands are often appropriated by the bourgeoisie, both because they help to legitimize a make-believe popular capitalism and because the bourgeoisie can reasonably expect to influence the formulation and implementation of these policies, and capture most of their benefits.

These cumulative pressures have led the middle class to abandon the PT almost entirely and move towards the PSDB, the Right-wing “green” Marina Silva (currently an opposition candidate for the country’s presidency), and, on occasion, to far-Left parties, movements, and NGOs. None of these alternatives offers a cogent response: the far-Left parties remain small and uninfluential; the so-called green alternative is politically vacuous; and the neoliberal mainstream has repeatedly demonstrated its political dysfunctionality. What is left is a set of vague but deeply felt demands, expressed through vehement slogans against corruption and for better state management and the rule of law, which do not provide a realistic programme.

These demands, and the ideological gel provided by the mainstream media, have supported the emergence of a neoliberal elite, which includes the neoliberal bourgeoisie and fractions of the middle class ideologically committed to neoliberalism, or simply alienated from the PT. The frustrations and demands of the neoliberal elite have been aggressively packaged by the mainstream media.<sup>44</sup> Given the weakness of the political parties of

the Right, the media has often taken up the mantle of the opposition, chasing up the PT and its allies even under the most implausible pretexts.<sup>45</sup>

**The Lumpenization of Politics and the Facebookization of Protest** The class analysis sketched in the previous sections can help to contextualize the Brazilian protests of June–July 2013. This can be done in two stages: first, a brief review of the demonstrations and, second, an analysis of the new modalities of protest emerging in the country.

On 6 June, the Free Fare Movement (*Movimento Passe Livre*, MPL), an autonomist organization, led a small demonstration demanding the reversal of a recent increase in public transport fares in São Paulo (a similar fare increase had also been introduced in Rio de Janeiro). The movement was criticized by the press for obstructing the roads and making unrealistic demands, and the demonstration was attacked by the police. The MPL returned in larger numbers in the following days and the police responded with increasing brutality, beating up scores of people and shooting demonstrators and journalists with rubber bullets.

Suddenly, however, the main press and TV networks changed sides and started supporting the movement. The media provided abundant coverage of the demonstrations, effectively calling people to the streets, and it sponsored the multiplication and deradicalization of demands towards a cacophony focusing on citizenship issues, state inefficiency, and corruption. The demonstrations spread across the country; they also became much more white and middle class in composition.<sup>46</sup> In less than two weeks, they involved well over one million people in hundreds of cities, mostly young workers, students, and the middle class, categories of workers with corporate demands (for example, bus drivers, lorry drivers, health-sector workers, and so on), and working-class neighbourhoods seeking local improvements.

In common with recent mass movements elsewhere, the Brazilian demonstrations were highly heterogeneous, including a multiplicity of groups and movements with unrelated demands, and organized primarily through social media and TV. Interestingly, the Brazilian demonstrations often had no clear leaders and no speeches. Groups of people would organize themselves on Facebook and Twitter, meet somewhere, and then march in directions

that were frequently unclear, depending on decisions made by unknown persons more or less on the spot.

Anyone could come up with demands or call a demonstration. Being antipolitical and humorous would increase someone's chances of appearing on TV. Police repression was sometimes accompanied by riots, and then the police pulled back, partly because of concerns with their public image; at other times, the police would attack the demonstrators while leaving the rioters alone. Infiltration by the police and the far-Right was both evident and widespread. Some marches were somehow declared "party-free," and Left-wing militants and trade unionists were harassed and beaten up by thugs shouting "my party is my country." As the mobilizations grew, they became more radicalized and more fragmented. When the federal government finally pushed São Paulo and Rio de Janeiro to reverse the transport fare increases, the mobilizations were already out of control.

In late June, the Left made a co-ordinated effort to regain the leadership of the movement, while the federal government, after considerable hesitation, sought Left support for the first time. In a meeting with state governors and mayors of the major cities, on 24 June Dilma Rousseff proposed a national pact to reduce corruption, introduce political reforms, and expand public service provision, especially in health, education, and public transport, to be partly funded by the revenues flowing from the country's new deep-water oilfields. In the meantime, eight trade union confederations, the MST, and a broad range of popular organizations organized a day of action on 11 July, demanding the reduction of the working week from 44 to 40 hours, higher state pensions, and other improvements for the workers. The demonstrations and strikes taking place on that day included several hundred thousand workers, but media coverage was modest. The demonstrations dwindled at the end of June, but new flare-ups were likely in the run-up to the 2014 Football World Cup and during the electoral campaign.

The Brazilian protests were closely associated with the evacuation of neoliberal democracy.<sup>47</sup> Brazilian democracy includes basic freedoms and competitive elections, supplemented by the insulation of the economic domain from these democratic processes in order to shelter the neoliberal economic policies and institutions from majority pressure. The outcome

has been that, while political democracy expanded, the horizons of economic policy debate were narrowed. Despite these tendencies, Brazil also shows important countertendencies. Social mobilizations have secured the election of three centre-Left federal administrations since 2002 and the continuing expansion of citizenship and social provision, and, since 2006, mildly expansionary economic policies have supported income distribution, economic and employment growth, and the formalization of the labour markets. The result has been the strengthening of a reformist political agenda at the national level, but its social base of support has weakened because of the erosion of the political capacities of the organized workers and their trade unions, political parties, and social movements.

The transformations of the broad working class and the ensuing changes in their modalities of political representation have extensively destroyed the perception of a common working-class culture and the sense of collectivity based on shared material circumstances. The new working class is both structurally disorganized and distrustful of structures of representation that, from its point of view, are ineffective. By the same token, the workers can now use direct modalities of communication through the internet and social media, and they tend to feel less need for representation, including by the traditional media, which is widely perceived to be biased. Aspirations and desires can now be articulated directly and expressed in an unmediated form. When groups organized in this way appear in the “real” world, they tend to perform as in a spectacle that can be relayed back to their “friends” in the ether, creating incentives for the individualization of demands and the personalization of the means of delivery through humour, colourful disguises, and so on. Facebook becomes the world, and the world becomes a larger-than-life Facebook. Unsurprisingly then, the Brazilian demonstrations were media-friendly, and many demonstrators were more intent on taking pictures of one another than on doing anything else.<sup>48</sup> social protest was facebookized.

Direct forms of communication and social organization do not lend themselves easily to class- or workplace-based organization. Instead, they foster the formulation of demands in the broadest terms, that is, the language of rights (for example, to transport, housing, work, health, education, drugs, abortion, and so on), and, closely related, demands for respect for any self-

identified group (for example, women, gays, teachers, truck drivers, inhabitants of specific neighbourhoods, etc.). In other words, the decomposition of the working class under neoliberalism has channelled social discontent towards a universalist (classless) ethics.

The structural inability of the existing classes to express their demands cogently, and to find appropriate channels of political representation under neoliberalism, has led social protest to become subsumed by the political forms of representation of the lumpenproletariat: politics in general, and protest specifically, have been lumpenized. Social protests become infrequent but, when they emerge, they tend to be unfocused and destructive, rather than coalescing around lasting organizations and movements that can accumulate successes and experiences. Just as the demands of the lumpenproletariat are highly vulnerable to capture by the bourgeoisie, the social movements under neoliberalism tend to become individualistic and vulnerable to capture by the political Right.<sup>49</sup>

The lumpenization of politics and the facebookization of protest are limited at four levels. First, the aggregation of individual (spontaneous) demands does not necessarily generate cogent programmes or viable platforms for social change. Second, the direct expression of individual demands on the web favours simplification, superficiality, and so-called common sense, rather than sophisticated, ambitious, and historically informed transformative projects. Third, web-based media can support mobilization, but it is not a suitable means for debate or the build-up of trust, which is essential for the consolidation, broadening, and radicalization of protest movements. Fourth, direct representation and “horizontality” (that is, the lack of hierarchies in the movement) foster individualism and disorganization. However, dissatisfaction without organization tends to explode and then evaporate, and spontaneous mass movements with a mixed class base, fuelled by unfocused anger, can be destabilizing for the political system—they tend to achieve little and leave behind unsatisfied demands that can fuel further waves of unfocused protest. Although their repetition can erode the political edifice of bourgeois rule, they do not help to create feasible alternatives.

The need for organization, delegation of power, and compromise within the movement and with outside institutions in complex capitalist societies suggests that recomposing the working class, and overcoming its material

fragmentation and the cultural separations imposed by neoliberalism, require collectivity in practice. This means talking and doing things together more than interacting through web-based media. Twitter and Facebook are good ways to exchange discrete morsels of information, but they do not allow the exchange of ideas and the formation of the personal and collective links that, alone, can sustain social mobilizations.

**Conclusion** There has been much debate about the emergence of new forms of protest under neoliberalism.<sup>50</sup> The Brazilian mass movements in June–July 2013 have been shown to be highly complex, but a class analysis of their sources and forms of expression can shed light on the enormous demands upon the state that have emerged after the “twin” transitions to democracy and to neoliberalism. They have led to the extensive evacuation of political democracy, significant changes in the country’s class structure, and the decomposition of most Left parties and trade unions. These transitions, and their social and economic implications, have supported the emergence of a neoliberal type of protest in Brazil, which is lumpenized and facebookized.

These new modalities of mobilization are highly plastic. They can support a Left-wing platform of restoration of collectivity and confrontation against neoliberalism, but they also offer fertile grounds for the emergence of fascism. The consolidation of a new generation of mass movements along progressive lines requires new forms of mobilization, participation, and delegation, fostering a new modality of democracy. These are difficult challenges for the Left, since it has become extensively disempowered and disarticulated as a result of the neoliberal transition. Recent events in Brazil show that the economic, social, and political fragilities of the new working class can allow Right-wing platforms to overwhelm the emerging social movements with individualistic and destructive forms of mobilization. In Brazil, these risks have been tempered by the combination of organized mass pressure, mature Left organizations, and a progressive federal administration. These elements may not be in place indefinitely in Brazil or elsewhere, and the challenges for the Left may, correspondingly, become even greater in the future.

## Notes

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1. For a detailed description of the protests, see A. Saad Filho, "Mass Protests under 'Left Neoliberalism': Brazil, June–July 2013," *Critical Sociology* 39/5 (2013), pp. 657–669, and A. Saad Filho and L. Morais, "Mass Protests: Brazilian Spring or Brazilian Malaise?" in L. Panitch, G. Albo, and V. Chibber, (eds.), *Socialist Register* (2014).
2. For a detailed review, see A. Saad Filho, "Neoliberalism, Democracy and Development Policy in Brazil," in K.-S. Chang, B. Fine, and L. Weiss, (eds.), *Developmental Politics in Transition: The Neoliberal Era and Beyond* (London: Palgrave, 2012).
3. M. Pochmann, "Políticas Sociais e Padrão de Mudanças no Brasil Durante o Governo Lula," *SER Social* 13/28 (2011), pp. 22, 24; see also M. Pochmann, "Mercado Geral de Trabalho: O Que Há de Novo no Brasil?" *Parcerias Estratégicas* 22 (2006), pp. 123–125.
4. M. Pochmann, "Estrutura Social no Brasil: Mudanças Recentes," *Serviço Social & Sociedade*, 104 (2010), pp. 640, 648.
5. W. Pomar, "Debatendo Classes e Luta de Classes no Brasil," p. 34, <<http://novo.fpabramo.org.br>> (accessed 15 August 2013).
6. See Pochmann, "Políticas Sociais," p. 16.
7. C. A. Feijó and P. G. M. Carvalho, "Structural Changes in the Brazilian Economy: An Analysis of the Evolution of Industrial Productivity in the 1990s," <[http://isi.cbs.nl/iamamember/CD5-Mexico1998/document/CON\\_PA-1/Cp10apar.doc](http://isi.cbs.nl/iamamember/CD5-Mexico1998/document/CON_PA-1/Cp10apar.doc)> (accessed 15 August 2013).
8. See Pochmann, "Mercado Geral de Trabalho," p. 137.
9. See R. Antunes and M. Pochmann, "Dimensões do Desemprego e da Pobreza no Brasil," *Revista Interface* 3/2 (2008), pp. 5–6; M. Pochmann, "Sobre a Nova Condição de Agregado Social no Brasil," *Revista Paranaense de Desenvolvimento* 105 (2003), p.7; and Pomar, "Debatendo Classes," pp. 41–45.
10. <<http://www.consultapopular.org.br/noticia/direita-sai-de-casa-pela-porta-da-esquerda-1->>
11. Pomar, "Debatendo Classes," p. 41.
12. J. A. F. Santos, "Mudanças na Estrutura de Posições e Segmentos de Classe no Brasil," *Dados* 44/1 (2001), <[http://www.scielo.br/scielo.php?script=sci\\_arttext&pid=S0011-52582001000100005](http://www.scielo.br/scielo.php?script=sci_arttext&pid=S0011-52582001000100005)> (accessed 15 August 2013)
13. See Pochmann, "Políticas Sociais," p. 16.
14. See Pochmann, "Sobre a Nova Condição," p. 7, and "Mercado Geral de Trabalho," p. 131, and A. Singer, "A Segunda Alma do Partido dos Trabalhadores," *Novos Estudos Cebrap* 88 (2010), p. 103.
15. "[A] class...is a group of persons...identified by their position in the whole system of social production, defined above all according to their relationship...to the conditions of production...and to other classes. The individuals constituting a given class may or may not be wholly or partly conscious of their own identity and common interests as a class, and they may or may not feel antagonism towards members of other classes as such" (G. de Ste. Croix, "Class in Marx's Conception of History," *New Left Review* 146 (1984), p. 94).
16. For similar analyses, see A. Boito, "Governos Lula: a Nova Burguesia Nacional no Poder," in A. Boito and A. Galvão, (eds.), *Política e Classes Sociais no Brasil dos Anos 2000* (São Paulo: Alameda, 2012), M. Chauí, "Uma Nova Classe Trabalhadora," <[http://www.cartamaior.com.br/templates/materiaMostrar.cfm?materia\\_id=22284&cutm\\_source=emailmanager&cutm\\_medium=email&cutm\\_campaign=Boletim\\_Carta\\_Maior\\_\\_03072013](http://www.cartamaior.com.br/templates/materiaMostrar.cfm?materia_id=22284&cutm_source=emailmanager&cutm_medium=email&cutm_campaign=Boletim_Carta_Maior__03072013)> (accessed 15 August 2013) and Pomar, "Debatendo Classes."
17. Pomar, "Debatendo Classes," p. 32.
18. The following analysis of the material interests of broad social groups is not meant to read off individual proclivities from fixed class positions, or to suggest that social classes or strata ought to be either self-conscious or politically united. Instead, it seeks to illustrate how

conflicting economic interests and social relations in Brazil can support distinct political platforms and rival economic policy programmes, which, in turn, tend to be expressed through alternative political parties, organizations, and movements.

19. The Brazilian Development Bank (BNDES) has operated since the 1950s. It was capitalized and heavily supported by the state in the late 2000s, when it became the largest development bank in the world.
20. This mobilization was widely supported. Eventually, even the financial sector rejected Collor, partly because of the large losses it suffered due to the President's anti-inflation strategy, which included a temporary freeze in savings, a large devaluation of the domestic public debt, and restrictions on the trading of financial assets.
21. See L. Moraes and A. Saad Filho, "Brazil beyond Lula: Forging Ahead or Pausing for Breath?" *Latin American Perspectives* 38/2 (2011), pp. 31–44, and "Neo-Developmentalism and the Challenges of Economic Policy-Making under Dilma Rousseff," *Critical Sociology* 38/6 (2012), pp. 789–798.
22. See A. Saad Filho, *The Value of Marx* (London: Routledge, 2002, Chapters 3–4).
23. Pomar, "Debatendo Classes," p. 3.
24. Brazil has one of the highest labour turnover rates in the world (Pomar, "Debatendo Classes," p. 42).
25. There are no signs of the emergence of a mass base for socialism in Brazil, in terms of voting patterns (four far-Left presidential candidates, together, obtained less than one percent of the ballots in 2010—an even lower percentage of the votes than in the previous elections), strike action (see below), or socialist changes in popular culture.
26. A. Saad Filho, "There is Life beyond the Washington Consensus: An Introduction to Pro-Poor Macroeconomic Policies," *Review of Political Economy* 19/4 (2007), pp. 513–537.
27. See A. Boito, "A Hegemonia Neoliberal no Governo Lula," *Crítica Marxista* 17 (2003), p. 12. This contradiction came to the fore during the Cardoso administration. However, it will be ignored in what follows because it has not played a significant political role recently.
28. Pomar, "Debatendo Classes," p. 10.
29. A. Boito and P. Marcelino, "Decline in Unionism? An Analysis of the New Wave of Strikes in Brazil," *Latin American Perspectives* 38/5 (2011), p. 62.
30. See <[http://www.dmtemdebate.com.br/abre\\_noticia\\_colunista.php?id=20](http://www.dmtemdebate.com.br/abre_noticia_colunista.php?id=20)>. This source reports lower trade union membership than the *Anuário dos Trabalhadores* (<[www.dieese.org.br](http://www.dieese.org.br)>).
31. J. Medeiros, "O PT e as Classes Sociais no Brasil: Reflexões após Dez Anos de 'Lulismo,'" <<http://novo.fpabramo.org.br>> (accessed 15 August 2013), p. 64.
32. The Brazilian population is 85 percent urban; large-scale, rural-urban migration was largely completed in the 1980s.
33. For an original assessment of this social group, see G. Standing, *The Precariat: The New Dangerous Class* (London: Bloomsbury Publishing, 2011); see also the critique in J. Breman, "A Bogus Concept," *New Left Review* 84 (2013), pp. 130–138, and B. Palmer, "Reconsiderations of Class: Precariousness as Proletarianization," in L. Panitch, G. Albo, and V. Chibber, (eds.), *Socialist Register* (2014).
34. The participation of formal workers in the labour market increased from 39 to 49 percent between 2001 and 2011, while the participation of informal workers declined from 61 to 51 percent. See MPOG, *Brazilian Development Indicators* (Brasília: Ministério do Planejamento, Orçamento e Gestão, 2013).
35. A. Singer, *Realinhamento, Ciclo Longo e Coalizões de Classe* <[http://www.reded.net.br/index.php?option=com\\_jdownloads&Itemid=183&view=viewdownload&catid=5&ccid=121&lang=en](http://www.reded.net.br/index.php?option=com_jdownloads&Itemid=183&view=viewdownload&catid=5&ccid=121&lang=en)> (accessed 15 August 2013).
36. A large part of Fernando Collor's mass appeal was due to hostility to the strike wave, which was symbolized by the opposition candidate, Lula. For example, there was a clear correlation between lower incomes and agreement with the statement that troops should be used to break strikes (supported by nine percent of respondents in households earning more than 20 minimum wages, and by 42 percent of respondents in households earning up to two minimum wages) (A. Singer, "Raízes Sociais e Ideológicas do Lulismo," *Novos Estudos CEBRAP* 85 (2009), p. 87).

37. M. Chauí, "As Manifestações de Junho de 2013 na Cidade de São Paulo," <<http://www.teori-aedebate.org.br/materias/nacional/manifestacoes-de-junho-de-2013-na-cidade-de-sao-paulo>> (accessed 15 August 2013); see also Pomar, "Debatendo Classes," p. 48.
38. "Within capitalism...scope is created for the self-employed to emerge and for 'professionals' to prosper because, for different reasons, they are able to retain the full fruits of their labour despite being paid a wage or, more exactly, a salary, although this can take different forms including fees, commissions, and so on," B. Fine and A. Saad Filho, *Marx's Capital* 5<sup>th</sup> ed. (London: Pluto Press, 2010), p. 148.
39. Chauí, "Uma Nova Classe Trabalhadora," and Pomar, "Debatendo Classes," pp. 43–44.
40. This phenomenon was highlighted by V. I. Lenin, *Left-Wing Communism: An Infantile Disorder* <<https://www.marxists.org/archive/lenin/works/1920/lwc/>>.
41. In Brazil, there is a negative relationship between years of schooling and support for redistributive federal programmes. These programmes are supported by 56 percent of illiterate respondents, 49 percent of those with basic education, and only 38 percent of those with university degrees. Years of schooling are also closely associated with greater respect for the rights of women and minorities (J. Tible, *O Fenômeno Político do Lulismo e a Construção de uma Nova Classe Social*, p. 74, <<http://novo.fpabramo.org.br>> (accessed 15 August 2013).
42. Pomar, "Debatendo Classes," p. 42.
43. See Saad Filho and Morais, "Mass Protests."
44. There are four national newspapers in Brazil, each one in the hands of a "traditional" family based in the Southeast. They all vociferously oppose the PT. The commercial TV networks, including the powerful *TV Globo*, also overtly oppose the federal administration.
45. In the first page of its 26 June edition, after the President's TV pronouncement proposing Constitutional and policy changes in the wake of the mass protests, the largest Brazilian newspaper found it essential to inform the nation about the cost of Dilma Rousseff's makeup and hairstyling. See <<http://acervo.folha.com.br/fsp/2013/06/26/>>.
46. For an anecdotal account of the demonstrations, see <[http://www.rededemocratica.org/index.php?option=com\\_k2&view=item&id=4637:a-ditadura-n%C3%A3o-tem-vez-golpista-no-xadrez](http://www.rededemocratica.org/index.php?option=com_k2&view=item&id=4637:a-ditadura-n%C3%A3o-tem-vez-golpista-no-xadrez)>. An opinion poll in eight state capitals on 20 June (a day of large demonstrations) suggested that 63 percent of the demonstrators were aged 14–29, 92 percent had completed at least secondary school, 52 percent were students, 76 percent were in paid employment, and only 45 percent earned less than five times the minimum wage. In other words, they had attended school for much longer and had much higher incomes than the population average. See <<http://g1.globo.com/brasil/noticia/2013/06/veja-integra-da-pesquisa-do-ibope-sobre-os-manifestantes.html>> and <<http://thesmokefilledroomblog.com/2013/06/27/who-is-protesting-in-brazil/>>.
47. For a conceptual analysis of neoliberal democracy, see A. Ayers and A. Saad Filho, "Democracy against Neoliberalism: Paradoxes, Limitations, Transcendence," *Critical Sociology*, published online first (2014).
48. This was evident on TV, and it was widely reported at the time. It was also witnessed by the author on 1, 2, and 3 July 2013 at Avenida Paulista, São Paulo's main thoroughfare.
49. The example of the *Italian Movimento 5 Stelle* is particularly apposite in this respect.
50. See, for example, C. Barker, L. Cox, J. Krinsky, and A. Nielsen, (eds.), *Marxism and Social Movements* (Leiden: Brill, 2013); A. Campbell, "Designing Socialism: Visions, Projections, Models," *Science & Society* 76/2 (2012), pp. 140–146; and C. Fuchs, "Social Media, Riots, and Revolutions," *Capital & Class* 36/3 (2012), pp. 383–391.