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Rafael R. Ioris, University of Denver
Aaron Schneider, University of Denver

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Abstract: Corrupt elites steal money from governments, distort elections, evade taxes, and capture privileges through backroom deals. Yet, the fight against corruption is not always what it seems, ending too often in the rise of neoliberal authoritarians. Drawing on the case of Brazil, the current article argues that the affinity between anti-corruption and neoliberal authoritarianism is due to 1) an upper-class alliance among rising and declining factions of capital; 2) middle-class and consumer support mobilized around anti-elite, anti-state, and pro-majoritarian narratives; 3) a political alliance of neoliberal, oligarchic, and authoritarian elites, and 4) actors supposedly operating above and outside domestic politics such as the judiciary, media, military, and foreign interests.

Keywords: Corruption, Democracy, Authoritarianism, Neoliberalism, Fascism

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Anti-Corruption and Democracy: Neo-Liberal Authoritarianism in Brazil

Abstract: Corrupt elites steal money from governments, distort elections, evade taxes, and capture privileges through backroom deals. Yet, the fight against corruption is not always what it seems. Across the region, neoliberal authoritarian actors have ridden to power by claiming the anti-corruption mantle. By claiming to fight corruption, they sideline political opponents and elevate the power of unelected authorities, advancing a narrow set of political and class interests. The fight against corruption could be an important part of democratizing politics and creating a more just society, but too often anti-corruption ends in neoliberal authoritarian political and economic projects. The current article argues that the affinity between anti-corruption and neoliberal authoritarianism is no accident; anti-corruption and neoliberal authoritarianism interact around 1) an upper-class alliance among rising and declining factions of capital; 2) middle-class and consumer support mobilized at least in part by anti-elite, anti-state, and pro-majoritarian narratives; 3) a political alliance of neoliberal, oligarchic, and authoritarian elites, and 4) actors supposedly operating above and outside domestic politics such as the judiciary, media, military, and foreign interests.

Corrupt elites steal money from governments, distort elections, evade taxes, and capture privileges through backroom deals. Yet, the fight against corruption is not always what it seems. Across the region, neoliberal authoritarian actors have ridden to power by claiming the anti-corruption mantle. By claiming to fight corruption, they sideline political opponents and elevate the power of unelected authorities, advancing a narrow set of political and class interests. The fight against corruption could be an important part of democratizing politics and creating a more just society, but too often anti-corruption ends in neoliberal authoritarian political and economic projects.

This has been common in recent Latin American history, as anti-corruption movements take right-wing populist tone, distracting middle classes and the petty bourgeoisie by scapegoating poor, working class, ethnically-minoritized populations, and the Left parties that represent them. Meanwhile, the distraction allows authoritarians to advance neoliberal economic agendas in alliance with oligarchic elites and subservient to international capital. The most dramatic recent demonstration of these dynamics has been the *Lava Jato* operation in Brazil, with extensions across the region. *Lava Jato* helped secure the impeachment of Brazil's democratically elected Workers' Party president, jailed the most popular Leftist leader in Brazil's history to prevent his run for the presidency, and secured the electoral victory of a neoliberal authoritarian of mediocre political trajectory.

The present paper examines how the Right-wing capture of anti-corruption narratives threatens democracy by manipulating the very tools of democratic legal and parliamentary process. We argue that these experiences are closely related to the dynamics of late capitalist development. The first section explores the connection between anti-corruption and authoritarianism,

especially in Latin America. The second section connects anti-corruption, authoritarianism, and late capitalist development. The third section focuses on Brazil, including subsections on the unelected entities that have contributed to neoliberal authoritarianism: the media, military, judiciary, and international interests. We end with the observation that only a transformation led by lower classes can protect democracy from this attack, achieve economic modernization, and secure international sovereignty.

Before continuing, it is important to emphasize three caveats. First, the current article limits itself to describe the ways in which anticorruption can be used to advance a neoliberal authoritarian project, with examples drawn from Brazil. Second, we do not argue that this is the only way in which anticorruption operates; there can be efforts to root out corruption that coincide with the advance of Leftist and/or liberal democratic projects. These alternative anticorruption projects may even initially vie for leadership within anticorruption movements where neoliberal authoritarian projects eventually win out. Finally, it is worth restating the message of the first sentences of this article – the point is not to argue in favor of corruption, which has deleterious impacts on economic development, equity, and democracy, among other negative impacts. Still, we focus on the Brazilian case, which we believe is a prototypical example of the way in which neoliberal authoritarian projects make use of anticorruption narratives and institutions to advance an extreme Rightwing project.

From Liberal to Neo-Liberal/Illiberal Democracy: A Brief Historical Review

Classic Liberalism was not born fully democratic, nor as a finished human political construct. Instead, along its two-centuries long historical evolution, it demanded more than simply finding ways to resolve conflicts peacefully, but also required – as first enshrined in the US Constitution and its supporting foundational documents, such as the Federalist Papers – mechanisms to prevent the relentless drive of an hegemonic group to eliminate minorities.¹ In effect, over time, liberal democracy went beyond the imagined ethnic-community-based 19th-century nationalist experiences also to include, in many places, the notion of legal equality within diversity.² What is more, in the postwar context, liberal democracies corroborated professed Enlightenment ideals (such as that of all French citizens) in the Universal Declaration of Human Rights to all peoples.³ In short, if all members of a polity are entitled to the same notion of equal dignity, despite

¹ Francis Fukuyama, “Liberalism and Its Discontents: The challenges from the left and the right.” *American Purpose*. October 5, 2020. <https://www.americanpurpose.com/articles/liberalism-and-its-discontent/>. (Accessed on April 15, 2021).

² Benedict Anderson, *Imagined Communities: Reflections on the Origin and Spread of Nationalism*. (NYC: Verso, 2016)

³ *Universal Declaration of Human Rights*. Available in: <https://www.un.org/en/about-us/universal-declaration-of-human-rights>. (Accessed on 16 April 2021).

cultural differences, then all should be equally allowed to exist (co-exist) and participate in the political process – at least conceptually.

This brief revision of the evolution of political Liberalism should not distract us, however, from the fact that classic Liberalism has inherent shortcomings in its promise of equality. This is particularly true in the economic realm where classic notions of freedom for the pursuit of economic success did not imply any requirement for fairness in the outcomes derived from untrammelled free-market operations. Liberal ideas of a universally shared dignity of all peoples need thus to be seen as a starting point to be complemented by additional emancipatory notions. However, this is not what right-wing, populists propound today around the world. Leaders like Hungary's Viktor Orbán, India's Narendra Modi, Donald Trump in the United States, Recep Erdogan in Turkey, Vladimir Putin in Russia, and Jair Bolsonaro in Brazil, all have sought to undermine judicial independence, dismantle professional bureaucracies, delegitimize the press and foster the sense of opposition forces as internal enemies to be eliminated. Putin has even declared the very obsolescence of Liberalism as a whole.⁴

Though authoritarian regimes helped define the history of the 20th century, no consensual definition has emerged on how to deal with relatively novel contemporary iterations of strong-man rule with popular appeal. Some have suggested that extreme right-wing populists should be examined under the lens of (Neo)Fascism as present-day authoritarian leaders have carried out pro-big business, neoliberal, economic reforms, especially in the periphery of the global capitalist order, such as in Brazil and India, while attacking democratic institutions and proceedings.⁵ Others use authoritarian,⁶ counter-revolutionary,⁷ alt-right,⁸ right-wing extremist,⁹

⁴ Lionel Barber & Henry Foy, 'Vladimir Putin says liberalism has 'become obsolete,' *Financial Times*, June 27, 2019. Available in: <https://www.ft.com/content/670039ec-98f3-11e9-9573-ee5cbb98ed36>. (Accessed on April 16, 2021).

⁵ Armando Boito, Jr, "O Neo-Fascismo já é Realidade no Brasil," *Dilma, Temer e Bolsonaro: crise, ruptura e tendências na política brasileira*. (Goiania: Phillos Academy, 2020); Arcary, Valerio. 2021. "Is Bolsonaro a neofascist?" *Historical Materialism*. April. <https://www.historicalmaterialism.org/blog/bolsonaro-neofascist>; Wendy Brown, *In the Ruins of Neoliberalism: The Rise of Antidemocratic Politics in the West*. (NYC: Columbia University Press, 2019)

⁶ Levitsky, Steven and Daniel Ziblatt. 2018. *How Democracies Die*. New York: Crown Books.

⁷ Bello, Walden. 2019. *Counterrevolution: The Global Rise of the Far Right*. Canada: Fernwood Publishers.

⁸ Phillips, Dom. 2020. "The Playbook is the Alt-Right: Bolsonaroistas Follow Familiar Tactics" *Guardian*. 1/27/2020. <https://www.theguardian.com/world/2020/jan/27/american-alt-right-playbook-bolsonaro-extremist-tactics-brazil>

⁹ Dias, Isabela. 2021. "How Brazil's Far-Right Extremists Learned from Trump Insurgency" *Mother Jones*. 4/20/2021.

far-right,¹⁰ ethno-nationalist,¹¹ and populist.¹² Each of these labels implies a theoretical perspective and empirical context, but disputes over nomenclature are unimportant for the current discussion. What is important is that a government with deeply anti-democratic tendencies emerged from the anti-corruption movement in Brazil, and the affinity between anti-corruption and anti-democracy is something that is related to a crisis of late capitalism. In merging neoliberalism with authoritarian political practices, rising leaders of today harken back in many aspects to the experience of historical Fascism, though this latest iteration is less reliant on strong party organization, as contemporary mass mobilization is largely provided by new social-media technologies. Thus, compared to events of the 1920s, neo-fascists of today are much less concerned about providing welfare policies for lower-class groups in order to gain and sustain their support.

The main appeal of the neo-fascist agenda is not derivative of the promise of socio-economic improvements, but rather on ideological binary identity-based constructs of nationals vs. foreigner, traditional family vs. political correctness, religion vs. atheistic communism, etc. As part of this binary effort, in the last decade, anti-corruption actions and their associated narratives have scapegoated those perceived as lower class or outside dominant identity groups, distracting middle classes and the petty bourgeoisie and making them available for Rightwing populist appeals. Meanwhile, the distraction allows right-wing populists to advance regressive oligarchic and neoliberal agendas, subservient to international capital.

This project traces the Right-wing capture of anti-corruption to the combinations typical of late development - a weak and submissive comprador bourgeoisie and a large and potentially radical working class and peasantry. Under such conditions, the perceived threat of lower-class mobilization leads the national bourgeoisie and middle classes to seek electoral viability by dividing lower classes according to exclusionary cleavages while submitting themselves to international capital. And to make sense of the connection between anti-corruption and anti-democratic governance, it is important to start with late capitalism.

¹⁰ Ruediger, Marco Aurélio, coord. 2021. *The Global Far Right: Brazil Establishes own Ecosystem on Parler and Mimics American Far-Right Wing*. Rio de Janeiro: FGV DAPP.

¹¹ Luce, Edward. 2019. "The Global Advance of Ethnonationalism" *Financial Times*. 5/24/2019. <https://www.ft.com/content/0c6e40ec-7dcc-11e9-81d2-f785092ab560>

¹² Casarões, Guilherme Stolle Paixão e Déborah Barros Leal Farias. 2021. "Brazilian Foreign Policy under Jair Bolsonaro: Far-Right Populism and the Rejection of the Liberal International Order" *Cambridge Journal of International Affairs*. DOI: 10.1080/09557571.2021.1981248

Anti-Corruption, Neoliberal Authoritarianism, and the Semi-Periphery

A rich political economy literature considers the class basis for modernization, focusing especially on the illiberal forms of governance that emerge when modernizing elites are relatively weak. In such contexts, modernizing elites seek allies among conservative elites, producing unseemly combinations, especially as they seek mechanisms to coopt, distract, and otherwise assert control over dominated classes.¹³ Anti-corruption, with its us-them binaries and moralistic orientation, offers just such a mechanism.

Marx considers mid-nineteenth century France to be a case in which the bourgeoisie was too divided to lead on its own and fearful of mobilization from below.¹⁴ Under this condition, modernizing factions of the urban bourgeoisie turned to an alliance with the military and oligarchic rural elites to enact a process of modernization from above. A similar view of anti-democratic governance in service to elite-led transformation was articulated by Barrington Moore Jr., who argued that premodern elites turned to fascism to “make reaction popular.”¹⁵ For Moore, it was the particular position of landed elites, with a captured population of dependent peasants, that made them both obstacles to democratic government and useful allies to a weak modernizing bourgeoisie seeking a transformation from above.

The social forces of contemporary Brazil include actors identified by Marx and Moore, namely a divided and weak modernizing bourgeoisie, in many cases fused with an oligarchic landed elite. Brazil also includes two elements characteristic of late capitalism in developing countries, the first of which is a narrow and fearful middle class. Nicos Poulantzas emphasizes the role of middle classes and petit bourgeoisie, especially at moments of crisis in late capitalism. Fed up with a fractious dominant elite and fearful of lower-class mobilization or descending into the lower class themselves, middle classes turn to outsiders who will resolve the political and economic crisis. Poulantzas draws on the German and Italian cases to argue that middle class

¹³ “The development of historically backward nations leads necessarily to a peculiar combination of different stages in the historic process. Their development as a whole acquires a planless, complex, combined character.” Trotsky, Leon. 1977. *History of the Russian Revolution*. Chicago: Haymarket Books. 27.

¹⁴ “Men make their own history, but they do not make it as they please; they do not make it under self-selected circumstances, but under circumstances existing already, given and transmitted from the past. The tradition of all dead generations weighs like a nightmare on the brains of the living. And just as they seem to be occupied with revolutionizing themselves and things, creating something that did not exist before, precisely in such epochs of revolutionary crisis they anxiously conjure up the spirits of the past to their service, borrowing from them names, battle slogans, and costumes in order to present this new scene in world history in time-honored disguise and borrowed language.” Marx, Karl. 1995/1851. *The Eighteenth Brumaire of Louis Bonaparte*. Marx-Engels Internet Archive.
<https://www.marxists.org/archive/marx/works/1852/18th-brumaire/>: 5.

¹⁵ Moore Jr., Barrington. 1966. *The Social Origins of Dictatorship and Development: Lord and Peasant in the Modern World*. Boston: Beacon Press.

support allows fascist outsiders to establish the primacy of monopoly capital within the coalition of dominant class factions and reassert hegemony over lower classes. Fascism, for Poulantzas, is the “open terroristic rule of monopoly capital.”¹⁶

A second relevant social force in places like Brazil is international capital, which plays a role both in modernizing late developing countries and in the turn towards anti-democratic government. Given the weakness of the domestic bourgeoisie in developing countries, modernization occurs through an alliance with external capital, which brings finance, technology, and know-how (Cardoso, 1979; Evans, 1979).¹⁷ Yet, the requirements of international capital for developing countries shifts over time, and each shift provokes new domestic productive and political relations.¹⁸

Frequently, such moments of productive and political change coincide with political and economic crisis, as rising factions of capital favored by international allies must renegotiate their relationship with other social forces. Among the upper classes, rising factions of capital must negotiate with declining factions of capital, and one strategy is to reach an accommodation in which both enter a dependent relationship to international capital. Such is the “passive revolution” of Gramsci, in which upper classes attempt to modernize without upsetting existing social hierarchies.¹⁹ This upper-class accommodation offers little to lower classes, who are unavailable as allies if they are organized as workers or peasants. In search of a mechanism of control or hegemony over dominated groups, the upper-class accommodationist solution is to cultivate subordinate classes identified as middle classes or consumers. Professional middle classes increasingly fear that economic crises will pitch them into the ranks of lower classes and grow weary of political crisis marked by the inability of dominant elites to resolve their

¹⁶ “This relative autonomy stems from two sets of factors: (a) from the internal contradictions among the classes in the power alliance, i.e. from its internal political crisis: the relative autonomy necessary to reorganize this bloc and establish within it the hegemony of the fraction of big monopoly capital; (b) from the contradictions between the dominant classes and fractions and the dominated classes, i.e. from the political crisis of the ensemble of the social formation, and from the complex relation between fascism and the dominated classes. This relation is precisely what makes fascism indispensable to mediate a re-establishment of political domination and hegemony” Poulantzas, Nicos. 1974. *Fascism and Dictatorship*. London: New Left Books: 85-86.

¹⁷ Dependent development “is a special instance of dependency, characterized by the association or alliance of international and local capital. The state also joins the alliance as an active partner, and the resulting triple alliance is a fundamental factor in the emergence of dependent development” Evans, Peter B. 1979. *Dependent Development: The Alliance of Multinational, State, and Local Capital in Brazil*. Princeton: Princeton University Press: 32.

¹⁸ “Each successive structure of world order was characterized by the emergence of new forms of state, new historic blocs, and new configurations of production relations.” Cox, Robert W. 1987. *Production, Power, and World Order: Social Forces in the Making of History*. New York: Columbia University Press: 109.

¹⁹ Gramsci, Antonio. 1971. *Prison Notebooks*. 366

differences. Consumers are desperate for a resolution to economic crisis and their own declining status and exclusion, and they find offensive the luxury displayed by elites.

To cement middle class and consumer support for an upper-class accommodation, anti-corruption is a perfect glue. It appeals to the sense that consumption has been handicapped by wasteful use of resources, even if other factors, such as economic decline and the deterioration of labor share of national product are more important.²⁰ Anti-corruption also appeals to middle class sense of violation of professional norms, even if their middle-class status owes much to their ability to navigate a corrupt state and highly unequal private sector, often stratified by privileges of ethnicity, race, religion, and other markers.²¹

Anti-corruption has several additional political advantages. First, corruption itself is a symptom of the lack of hegemony and weakness of the dominant bourgeoisie.²² As a result, it is ever-present and easily observable, making it an available issue around which to organize. Second, anti-corruption in the form promoted internationally and practiced in most domestic contexts is profoundly anti-state, blaming rotten state actors for corruption. This makes anti-corruption a particularly useful discourse for two key elements of the upper class accommodationist bloc: rising factions of capital seeking to remove state interventions in the economy and international actors eager to gain access to protected markets.²³ In fact, if the state is “the problem, then simply reducing the size of the state sector” becomes the solution.²⁴

Anti-corruption narratives are also consistent with anti-democratic solutions, including military interventions and fascist movements, which can present themselves as outsiders promising to resolve the problems of the existing political elite.²⁵ Finally, a view of corruption as a problem of

²⁰ Picketty, Thomas. *Capital in the 21st Century*. Cambridge: Harvard University Press.

²¹ Ferguson, Kate and Andy Fearn. 2019. *A Gathering Storm: Assessing the Risks of Identity-Based Violence in Britain*. London: Protection Approaches. <https://img1.wsimg.com/blobby/go/131c96cc-7e6f-4c06-ae37-6550dbd85dde/downloads/A%20Gathering%20Storm%20Assessing%20risks%20of%20identity-.pdf>

²² Gramsci noted, “between consent and force stands corruption/fraud (which is characteristic of certain situations when it is hard to exercise the hegemonic function, and when the use of force is too risky)” (1971: 80).

²³ The World Bank defined corruption in 1997 as “the abuse of public office for private gain,” and most international organizations such as Transparency international and domestic anti-corruption movements remain focused on a view of corruption as practiced by bad actors within the state. World Bank (1997), “Helping countries combat corruption: the role of the World Bank”, available at: www1.worldbank.org/publicsector/anticorrupt/corruptn/coridx.htm

²⁴ Andersson, S. and PM Heywood. 2009. “Anti-Corruption as a Risk to Democracy: on the Unintended Consequences of International Anti-Corruption Campaigns” in Hindess, Barry and L. De Sousa, ed. *Governments, NGOs, and Anti-Corruption: The New Integrity Warriors*. London: Routledge. 33-50.

²⁵ Kossow, Niklas. 2019. “Populism and Corruption” *Transparency International Report*. 1-15.

bad actors within the state suggests that it can be dealt with through technical, institutional, and administrative fixes. Those actors who can present themselves as apolitical, such as the judiciary and military, as well as actors within civil society such as the media, can elevate their supposed importance over those holding elected offices.²⁶ Further, they can be deployed by one faction of the political elite to harass and weaken rivals.²⁷

Brazil's Car Wash Operation (*Operacao Lava Jato*) case provides a clear example of each of these phenomena: 1) an upper-class alliance among rising and declining factions of capital; 2) middle-class and consumer support mobilized at least in part by anti-elite, anti-state, and pro-majoritarian narratives; 3) a political alliance of neoliberal, oligarchic, and authoritarian elites, and 4) actors supposedly operating above and outside domestic politics such as the judiciary, media, military, and foreign interests.²⁸ In the next sections, we examine the Car Wash Operation's rise and its impacts on Brazilian democracy.

Brazil's Curtailed Democratic Consolidation in the Throes of Anti-Corruption Campaigns

The recent rise of right-wing regimes in Latin America is part of a global trend of extreme nationalist forces mobilizing to question central elements of liberal democracy and the very global multilateral order put in place in the aftermath of World War II. Much of this process derived from the global economic crisis of 2008, which was a process with roots in the financialization of global capitalism in the last three decades, which came to be known as the neoliberal version of a revised and expanded version of the phenomenon of globalization.²⁹ In many ways, the crisis of the global liberal order is a clear expression of much larger transformations taking place in the economic, social, and political bases that had thus far structured the liberal globalization of the last 40 years.³⁰

Latin America's experiences with the rise of neo-fascism are perhaps most evident in Brazil. The unprecedented levels of economic betterment of lower classes during Lula da Silva's term in

²⁶ Woodson, Benjamin. 2015. "Politicization and the Two Modes of Evaluating Judicial Decisions" *Journal of Law and the Courts*. 3: 2: 193-221.

²⁷ Maravall, José María. 2003. "The Rule of Law as a Political Weapon" in Maravall, José María and Adam Przeworski eds. *Democracy and the Rule of Law*. New York: Cambridge University Press.

²⁸ Bolsonaro's coalition in Congress has been labeled BBB "Bullets, Beef, and Bible" ("Bala, Boi, e Biblia" in Portuguese) for its combination of tough on crime ex-military and police, the representatives of rural oligarchy, and Evangelicals and their moral crusade, including against corruption. Cavalcanti, Roxana Pessoa. 2017. "How Brazil's Far Right Became a Dominant Political Force" *The Conversation*. January 25. <https://theconversation.com/how-brazils-far-right-became-a-dominant-political-force-71495>.

²⁹ Ganesh Sitaraman, "The Collapse of Neoliberalism", *New Republic*. December 23, 2019. Available in: <https://newrepublic.com/article/155970/collapse-neoliberalism>. (Accessed on April 18, 2021).

³⁰ John Ikenberry, "The End of the Liberal International Order," *International Affairs*, vol. 24, n.º 1, 2018, pp. 7-23

power (2003-2011) had already been perceived by traditional middle and upper classes as threatening established social norms when poor/darker-looking Brazilians started consuming in ways previously reserved for middle and upper classes, such as traveling in airplanes and hiring housemaids. These events came to a perfect storm for the conservative reaction that ensued from 2013 onwards, when Dilma Rousseff, the less politically able successor of Lula, could sustain neither the economic gains nor the center-left political coalition of the previous decade.

In response, middle classes mobilized publicly in a way that had not been seen since the early 1960s, when conservative social segments took to the streets in Brazil to demand a military intervention against the socially-reformist administration of Goulart. Such mobilizations would have a hard time gaining traction among the many lower-class actors that had benefitted from inclusion, but anticorruption both provided a useful disguise and made middle class revanchism available to an upper class, neoliberal authoritarian project. In effect, anticorruption was what turned middle and upper middle-class mobilization against the social inclusion of the previous decade into a neoliberal authoritarian project.³¹

In order to make sense of what happened afterwards, one needs to remember that a significant portion of the middle class – increasingly articulating the revived neoliberal creed – supported police intervention and vigilante violence once street protests targeted issues of concern to popular sectors, like housing and public transportation. In so doing, this reactionary fraction of the middle class quickly captured existing protests and directed dissatisfaction against the federal government headed by Dilma Rousseff (2011-2016). Consequently, they nimbly and cynically redirected mobilization against the corruption of the Workers Party. The particular kind of anticorruption narrative included a refurbished version of the previously-discredited neoliberal agenda of the minimal state as the fix-all answer to the country's problems. At the same time, in March 2014, the Federal Public Ministry (MPF) launched Operation Car Wash, which unveiled a scheme of lobbying, overbilling, bribes, and evasion of foreign exchange around the construction of public works. Led by former judge Sérgio Moro and prosecutor Deltan Dall'Agnol, the operation resorted to abusive measures, such as the illegal arrest of suspects, as a central element of investigation. Moreover, by applying their prosecution in biased fashion against politicians linked to the Worker's Party, they did not address widespread corruption but rather weakened trust in political institutions. Indeed, Car Wash's 'political grammar' attacked core principles of the Liberalism-based rule of law (e.g., the presumption of innocence) as long as it could rid Brazil of the scourge of (leftist) corruption.³²

³¹ Boito, Jr, "Dilma e Temer a crise do neodesenvolvimentismo e o golpe neoliberal." *Dilma, Temer e Bolsonaro: crise, ruptura e tendências na política brasileira*, *op. cit.*, p. 21.

³² Fabio de Sa e Silva, "From Car Wash to Bolsonaro: Law and Lawyers in Brazil's Illiberal Turn (2014–2018)," *Journal of Law and Society*. Vol. 0, No. 0, September 2020, pp. 1-21.

Even amidst the Car Wash Operation Dilma Rousseff managed to be reelected president at the end of 2014. However, Aécio Neves, the opposition candidate who ran against her in the second round of the election, lost but refused to accept the results, driving large sectors of the middle classes to the streets to demand a baseless impeachment of the sitting president. This was a clearly destructive course of action, which was nonetheless widely portrayed by powerful, conservative media conglomerates as a defense of democracy. It thus needs to be stated that what was really happening in Brazil was that by effectively relying on judicial proceedings to dismantle the PT after losing four straight elections, the opposition ceded considerable political influence to an increasingly partisan judiciary.³³

In addition to being overtly anti-democratic, this mobilization gained traction based on a traditional narrative deployed several times in Brazilian history, that of the Left being inherently corrupt. In the case of Dilma, as a less articulate political operator, and with the economy in decline, the accusation stuck. These events engulfed Brazil in the most consequential political crisis the country faced since the end of the military regime in the mid-1980s –dramatically putting an end to the democratic consolidation Brazil was experiencing. In response, in the first months of her new term, pressed by powerful business and media actors, Rousseff abandoned counter-cyclical economic policies and campaign proposals she had committed to expand economic and social citizenship. Instead, she adopted economic policy with clear neoliberal elements, but her overture to domestic capital failed to rebuild ties with the business community, while melting her image among progressive sectors.³⁴ Finally, coincident with new stages of Operation Car Wash, middle-class social movements led protests against Rousseff, though she was never accused of corruption. National outrage against her culminated, in mid-2016, in a parliamentary coup, under the technical frame of a Congressional impeachment due to what was called creative governmental accounting practices.³⁵

The economic and institutional crisis fueled by Operation Car Wash sapped confidence in democratic institutions. In 2000, at the end of the neoliberal wave, according to a national poll, 19.2% of Brazilians were satisfied with democracy, and 24.3% of Brazilians trusted the

³³ For more on this point, see Rafael R. Ioris and Andre Pagliarini, “Hatred and Fear: Bolsonaro and the Return of Irrational Politics,” *E-International Relations*. July 19, 2019. Available in: <https://www.e-ir.info/2019/07/29/hatred-and-fear-bolsonaro-and-the-return-of-irrational-politics/>. (Accessed on April 20, 2021).

³⁴ Andre Singer, “Cutucando Oncas com Varas Cutas: o Ensaio Desenvolvimentista no Primeiro Mandato de Dilma Rousseff (2011-2014),” *Novos estudos CEBRAP*. n.102, 2015. pp.39-67.

³⁵ Shifting funds across government accounts had been practiced by all previous presidents to balance budgets, and was even made legal for subsequent presidents immediately after Dilma was removed. DW Brasil, *Quais são as acusações contra Dilma?* August 26, 2016. Available in: <https://www.dw.com/pt-br/quais-s%C3%A3o-as-acusa%C3%A7%C3%B5es-contradilma/a-19249899>. (Accessed on April 26, 2021). See also Felipe Nunes and Carlos Ranulfo Melo, *Impeachment, political crIsIs and democracy In Brazil*, Revista de Ciencia Politica, Volumen 37 / N° 2 / 2017 / 281-304/

government. Ten years later, 48.5% of Brazilians were satisfied with democracy, and 55% of Brazilians trusted the government. By 2013, however, only 26% of Brazilians were satisfied with democracy, and 38.6% of Brazilians trusted the government and in early 2016, only about 9.4% of Brazilians said they were satisfied with the democratic regime in place.³⁶

This scenario provided the perfect environment for reasserting the long-established neoliberal attack on welfare programs, as well as the very relevance of structures of the national state to address long-standing problems faced by deeply unequal societies, like Brazil. Removing Dilma presented an opportunity for her Vice President, Michel Temer, to double down on the neoliberal policies of the 1990s. After coming to power in mid-2016, he rapidly sought to privatize public services, open the economy to international capital, eliminate labor protections, etc. But this agenda faced challenges in gaining widespread support, and this is where authoritarian neoliberalism advanced by a Rightwing populist came into play.

Bolsonaro, a former army captain with a long but irrelevant political career, knew how to exploit the dissatisfaction and the collapse of institutions. In the 2018 elections, he offered a political platform with very few proposals, and those he offered were unenforceable. His strength as a contender was not in the political platform but the symbolic power built in opposition to the Workers' Party and the policies developed during the Pink Tide of Left governments across the region. Moreover, Bolsonaro positioned himself as a representative of law enforcement and sought the support of Sérgio Moro as the hero of the Car Wash Operation. He also approached Paulo Guedes, a neoliberal economist with extensive experience in the financial market. Likewise, through his sons, he obtained the support of Olavo de Carvalho, a former astrologer who became a political commentator and disseminator of the conservative philosophical tradition through popular and simplistic courses on digital platforms. In addition, echoing again maneuvers implemented by Trump, Bolsonaro courted the business community, especially in agribusiness, large national retail corporations, and the financial market.

This reorganized power block of traditional political forces aptly promoted - with clear support of the country's armed forces and conservative religious leaders - the image of Brazil as a society defined by ultra-conservative elements, in which law and order appeared as a response to urban violence and a fomented notion of moral degeneration. Neoliberal segments, for their part, refashioned the promise of market reforms as a tool against corruption and competent economic management as a technical solution to expand economic and social citizenship. Finally, Bolsonaro's appeal to lower socio-economic segments was largely grounded on his anti-establishment narrative of *tem que mudar tudo isso ai!* (we have to change everything), which

³⁶*LatinoBarometro*. Available in: <https://www.latinobarometro.org/latCodebooks.jsp> (Accessed on April 20, 2021)

effectively advanced a dualistic (good vs. evil) narrative that accelerated the very erosion of confidence in the existing democratic political system.³⁷

Given this fabricated *perfect scenario* for eroding what was considered to be one of Latin America's best promises for democratic consolidation, we examine below four key sectors (or social actors) that played decisive roles in this process. The media, the judiciary, the military, and international actors performed outsized roles both in fostering a particular kind of anticorruption narrative which resulted in a neoliberal authoritarian outcome for Brazil.

Media

No region in the world has a more restricted control of corporate media in the hands of very powerful elite family groups as Latin America.³⁸ Of special relevance, the role of Brazil's media in abetting the rise of anti-popular, authoritarian regimes in the last decades has been evident at least since the 1964 civilian-military coup when media support for anti-democratic forces played a decisive role in creating widespread middle-class support for violent actions led by army generals with the financial backing of large business groups.³⁹ In addition to this tragic, classic Cold War-related event in the region, other examples demonstrate the affinity of oligopolistic media houses with anti-democratic and elitist agendas. The Globo media conglomerate, particularly, tarnished the very transition to democratic rule in the 1980s by both refusing, initially, to broadcast one of Brazil's most important experiences of civil society mobilization in the final years of the dictatorship, when millions took to the streets to demand direct presidential elections (*Diretas Já*). Just a few years later in 1989, Globo TV edited the first president debate so that then Workers' Party candidate Lula da Silva looked like a shaggy, aggressive outsider, while Collor de Melo, who would become the country's first neoliberal president in the early 1990s, looked glamorous and charming.⁴⁰

Since the late 1990s, these same conservative media forces have acted consistently, in their editorials, op-eds, and overall news coverage, to disseminate a neoliberal outlook for the country's economy and society, at large. More recently, the Globo group, mostly in its TV

³⁷Natalia Damasceno, "Tem que mudar isso aí' ta' OK?", *Le Monde Diplomatique Brasil*. December 6, 2018. Available in: <https://diplomatie.org.br/tem-que-mudar-tudo-isso-que-ta-ai-ta-ok/> (Accessed on May 20, 2021).

³⁸ Gustavo Fuchs, *Who Controls Latin America's Media?* Available in: <https://nacla.org/news/2022/01/14/latin-america-media-ownership?eType=EmailBlastContent&eId=3287948c-81b7-45be-b127-be2b0126b9f2>.

³⁹ Some of the main studies on this include: Herbret Klein & Francisco Luna, *Brazil: The Military Regimes of Latin America in the Cold War, 1964-1985*. (Yale University Press, 2017; Marcos Napolitano, *1964: História do Regime Militar Brasileiro* (Contexto, 2014); and Thomas E. Skidmore, *The Politics of Military Rule in Brazil, 1964-85*. (Oxford University Press, 1988).

⁴⁰ Folha de São Paulo, *Roberto Marinho influiu durante sete décadas*. Available in: <https://www1.folha.uol.com.br/folha/brasil/ult96u52057.shtml>.

networks of widely popular channels, along with conservative printed media, such as *Folha de São Paulo* and *Estadão*, reasserted themselves as decisive political actors (if not king-makers, certainly king-removers) by helping foster a widespread presumption of corruption against Lula, and especially Dilma's, governments, and then actively working to promote support for the politically-motivated and legally-questionable parliamentary proceedings involved in the latter's 2016 impeachment.⁴¹

In concrete terms, starting in early 2015, as indicated above, defeated PSDB candidate Aécio Neves refused to accept electoral results from Dilma's reelection and started mobilization for impeachment. The instigation of the PSDB was particularly relevant, as it had been a major party in the process of consolidating both democratic liberal proceedings and neoliberal policies in the country. Certainly, the protests and calls for impeachment would not have managed to be as effective without the widespread support received from powerful media conglomerates and business associations.⁴² At the center of media attacks on Dilma was the unfounded narrative that she was corrupt though the same media largely gave a pass to her successor, the Thermidorian administration of coup-plotter, and long-time political insider Michel Temer (2016-2019), in which politicians with far worse accusations of corruption participated openly.⁴³ Then, once it became clear that Temer was merely a caretaker and the Workers' Party might even return to power in 2018, the media worked extra hard to build the mythology of *Lava Jato*, including a failure to investigate abuses by the prosecution and efforts to raise the profile of investigating judge Sergio Moro, who later would use his public appeal to try to launch his own political career.

Judiciary

As indicated above, another unelected actor that played a major role in the process of erosion of Brazil's liberal democracy was the Judiciary branch, in the spheres of the courts and Public Ministry. And though this process did not involve solely the *Lava Jato* Operation, its proceedings removed any pretense of operating above class and social position and consolidated the role of judicial elites in advancing a socially and politically conservative, even authoritarian, vision for

⁴¹ Teun A van Dijk, *How Globo media manipulated the impeachment of Brazilian President Dilma Rousseff*. *Discourse & Communication* 2017, Vol. 11(2), 199–229.

⁴² Tiago Roberto Pinheiro and José Carlos Vieira, *A Mídia Brasileira no Impeachment de Dilma Rousseff*. Caderno da Escola Superior de Gestão Pública, Política, Jurídica e Segurança. Curitiba, vol. 1, n. 2, p. 151-180, jul./dez. 2018.

⁴³ Theófilo Machado Rodrigues, *O papel da mídia nos processos de impeachment de Dilma Rousseff (2016) e Michel Temer (2017)*. *Contracampo: Dossier Depois do Golpe: a Comunicação Política em Tempos de Pós-Democracia* / v. 37 n. 2 (2018), <https://periodicos.uff.br/contracampo/article/view/17626>.

the country.⁴⁴ As a social project, *Lava Jato* operated as a vehicle for middle class mobility and morality, with patently neoliberal principles. In political terms, *Lava Jato* accommodated the interests of potentially rival factions of the upper class, including external actors, financial capital, agribusiness, and monopoly capital.

In demographic terms, the judiciary shows indications of being a redoubt of professional middle classes, generally drawn from educated families, with other family members practicing law, born in the developed Southeast of the country, white, and practicing religion.⁴⁵ In terms of family education, higher education had been achieved by 51% of the fathers of judges and 42% of the mothers, and 92% of partners. One fifth of the justices had a family member who was also a judge, and 51% had family practicing law. A quarter of all judges came from the richest state, São Paulo, and four other wealthy Southeastern states accounted for another 33% of all judges. In a country that is majority Afro-Brazilian, 80.3% of judges are white, and 82% of judges indicated that they practiced a religion.

The neoliberal principles of the *Lava Jato* cases are expressed in the views of the lead prosecutor and judge. Prosecutor Dall’Agnol expressed a supposed affinity between free markets and anti-corruption, “While free competition promotes a natural selection that favors the most efficient enterprises, corruption promotes an artificial selection that eliminates the most honest and concedes a long life to those who accept to partake in disreputable businesses.”⁴⁶ Judge Moro noted the threats to investors, both domestic and foreign, as a result of corruption, “another detrimental effect of systemic corruption is that it chases away local and foreign investors. If the market is not clean and trustworthy, if bribes and cheating are the rules, a responsible investor will not have confidence in that market, and he will not put his money in it.”⁴⁷

For a time in Brazil, *Lava Jato* contributed to settling potential disputes among different elite factions that would eventually accommodate themselves within the Bolsonaro coalition. The *Lava Jato* process issued almost 1500 warrants, 533 indictments, and resulted in 278 convictions, along with a total of US\$803mi paid to the Brazilian government.⁴⁸ Within these convictions and penalties, certain differences stand out. Factions of domestic capital, such as construction firms

⁴⁴ Eneida Salgado and Emerson Gabardo, The Role of the Judicial Branch in Brazilian Rule of Law Erosion. *Revista de Investigações Constitucionais*, 8 (3) • Sep-Dec 2021 <https://doi.org/10.5380/rinc.v8i3.83336>.

⁴⁵ Data drawn from Conselho Nacional de Justiça. 2018. *Perfil Sociodemográfico dos Magistrados Brasileiros*. Brasília: Conselho Nacional de Justiça.

⁴⁶ Dall’Agnol, Deltan. 2017. *A Luta Contra a Corrupção*. Rio de Janeiro: Sextante.

⁴⁷ Moro, Sergio. 2017. *Institution-building, Governance, and Compliance in Brazil: Politics, Policy and Business*. Speech at Columbia University. <https://www.youtube.com/watch?v=pA1nOd5XPO4>.

⁴⁸ Ministério Público Federal. *Caso Lava Jato: Resultados*. <http://www.mpf.mp.br/grandes-casos/lava-jato/resultados>. Checked 1/10/2022

Odebrecht and Camargo Correa, were particularly targeted, paying millions in fines, top-level executives faced jail time, and both companies had to file for bankruptcy.⁴⁹ The major agribusiness company, JBS, also came under fire, with CEO brothers Joesley and Wesley Batista going to jail, though the proceedings were careful to allow their agricultural empire to emerge intact.⁵⁰

Meanwhile, Brazilian and international banks were found to have facilitated millions in bribes and money laundering. Even though approximately R\$1.3bi in transactions were investigated in five Brazilian banks alone, their cases were codenamed “Minimum Alert,” and particular exemptions taken to ensure that penalties would not unduly undermine the banks.⁵¹ Said prosecutor Roberto Pozzobon, “We’ll kick down the door of a smaller bank, with minimal fraud, while at the same time we’ll sit down to negotiations with a big bank. The message will be sent!”⁵² With respect to funds that made their way through offshore tax havens, one bank manager from Switzerland faced jail time, but the failed oversight by banks supposedly following the strictest standards⁵³ were not punished.⁵⁴ The unequal treatment of different factions of capital can be interpreted as part of the way state institutions helped to reorganize the relative position of rising and falling factions of capital within an upper-class accommodation. Financial elites (especially those connected internationally) came out on top; agricultural elites remained in the coalition though somewhat weakened, and productive capital interests were greatly cowed.

Lava Jato also worked in parallel to reorganize political elites, directing its prosecution most severely and in biased fashion at the Workers’ Party, while executing mild or no punishment for

⁴⁹ Gallas, Daniel. 2019. “Brazil’s Odebrecht Scandal Explained” BBC. <https://www.bbc.com/news/business-39194395>. Checked 1/10/2022.

⁵⁰ Marques, Felipe. “Brazil’s Batista Brothers are out of Jail and Worth \$6bi” Bloomberg News. 7/15/2021. <https://www.bloomberg.com/news/articles/2021-07-15/brazil-s-batista-brothers-are-out-of-jail-and-worth-6-billion>. Checked 1/10/2022.

⁵¹ Konchinski, Vinicius. 2019. “*Lava Jato* Ligou 5 Maiores Bancos do Pais a Lavagem de R\$1.3bi” *Noticias UOL*. 10/2/2019. <https://noticias.uol.com.br/politica/ultimas-noticias/2019/10/02/lava-jato-liga-5-maiores-bancos-do-pais-a-lavagem-de-r-13-bilhao.htm> Checked 1/10/2022.

⁵² Andrada, Alexandre. 2019. “*Lava Jato* Protegeu Bancos para Evitar Colapsos Econômico, mas Sacrificou Empreiteiras” Intercept. 08/29/20219. <https://theintercept.com/2019/08/29/lava-jato-protegeu-bancos-sacrificou-empreiteiras/> Checked 1/10/2022.

⁵³ Department of Justice. *BSI SA of Lugano, Switzerland is First Bank to Reach Resolution of Justice under Justice Department’s Swiss Bank Program*. 3/30/2015. <https://www.justice.gov/opa/pr/bsi-sa-lugano-switzerland-first-bank-reach-resolution-under-justice-department-s-swiss-bank>. Checked 1/10/2022.

⁵⁴ Martini, Maíra. 2019. “*Lava Jato*: Whatever happened to complicit Swiss Banks?” *Voices for Transparency*. <https://voices.transparency.org/lava-jato-whatever-happened-to-complicit-swiss-banks-6481e4d66ae1>. Checked 1.10/2021.

political elites drawn from other ends of the ideological spectrum. The most severe treatment was clearly directed at ex-President Lula, who left office in 2010 with 80% approval and appeared far ahead in the polls to win the presidency in 2018. Judge Moro manipulated and leaked illegal phone taps to besmirch Lula and prevent his appointment to Dilma's cabinet (where he would have been outside of the regional judge's jurisdiction), coached prosecutors illegally in the presentation of their case, convicted Lula of "undetermined acts of corruption," and placed him in custody such that he could not run for president, even though there was no legal basis to keep him in jail.⁵⁵ When it appeared that a newspaper might be able to interview Lula and perhaps give an electoral bump to the person, Fernando Haddad, running in his place, one prosecutor worried, "A press conference before the second round of voting could help elect Haddad," and chief prosecutor Dall'Agnoll wrote that he would "pray" that the PT not return to power.⁵⁶

The result of this biased treatment may not have been what Moro intended, as the classically-neoliberal PSDB was unable to capitalize, and 2018 turned into its worst electoral performance since the early 1990s. Instead, the authoritarian Bolsonaro won the election, placing neoliberal elites in a second-tier position with ex-fund manager Paulo Guedes in the Ministry of Finance and Moro as Justice Minister. The accommodation among political elites was completed by representing the rural oligarchy in key ministries like the Ministry of Agriculture and the agencies charged with protecting the environment and indigenous affairs, and placing cultural conservatives influenced by the late, self-acclaimed neoconservative philosopher Olavo de Carvalho, in positions such as the Ministry of Foreign Affairs and the Supreme Court.⁵⁷

All in all, Brazil's *Lava Jato* case thus provides an example of each of the ways a branch of the state attempts to resolve political and economic crisis from above: 1) through its selective punishment, the judiciary reorganized an upper-class alliance among rising neoliberal elites and declining oligarchic elites;⁵⁸ 2) the judiciary settled an accommodation among political elites including neoliberal, oligarchic, and authoritarian elements; and 3) the judiciary mobilized middle class and consumer support by articulating anti-corruption rhetoric.

Military

⁵⁵ <https://www.brasilwire.com/lava-jato-sergio-moros-7-crimes-of-judicial-bias/> Checked 1/21/2022.

⁵⁶ <https://theintercept.com/2019/06/09/brazil-car-wash-prosecutors-workers-party-lula/> Checked 1/22/2022.

⁵⁷ <https://www.poder360.com.br/governo/saiba-quem-sao-os-22-ministros-da-esplanada-de-bolsonaro/> Checked 1/21/2022.

⁵⁸ Bolsonaro's coalition in Congress has been labeled BBB "Bullets, Beef, and Bible" ("Bala, Boi, e Biblia" in Portuguese) for its combination of tough on crime ex-military and police, the representatives of rural oligarchy, and Evangelicals and their moral crusade, including against corruption. Cavalcanti, Roxana Pessoa. 2017. "How Brazil's Far Right Became a Dominant Political Force" *The Conversation*. January 25. <https://theconversation.com/how-brazils-far-right-became-a-dominant-political-force-71495>.

An additional very concerning feature of Brazilian politics in the last few years is the return of the military to the centers of power.⁵⁹ Interestingly, though the country's armed forces have a long history of acting politically (see De Carvalho, 2019), the post-1985 generation was not accustomed to having so many of them in the limelight.⁶⁰

The elevation of the military came out of the way in which the technical, apolitical narrative of anticorruption interacted with a self-image of a military with unique logistic and technocratic experiences and were uniquely prepared to be in charge of key areas of society beyond the barracks. This self-image is the outcome of a curious process developed specifically in recent decades related to a substantive increase of Brazilian contribution to UN peace operations started in the 1990s and that reached a new level from 2004-2017, with the Brazilian leadership of the military component of the UN Stabilization Mission in Haiti (MINUSTAH).

Eleven generals of the Brazilian Army served as force commanders, and the breadth of MINUSTAH's mandate was vast and unprecedented for Brazilian cooperation with UN peace operations. These events boosted the self-confidence of the Army leaders, with broader impact within the ranks, considering that around 37 thousand members of the Armed Forces were in Haiti. For a senior general that served as Minister of Institutional Security between 2016 and 2018, Haiti impacted a generation in the Armed Forces "in the same way as the Second World War did" (Viana, 2021). In that era, the country's participation in WWII propelled two generals as the main contestants to presidency in 1945: one from the Air Force and the other from the Army.

While generals have not recently run for president, a retired general was on the winning 2018 presidential ticket as vice-president and Bolsonaro continues to present himself as a representative of the military, though he was dishonorably discharged almost four decades ago. Generals became increasingly outspoken on civilian issues and politics,⁶¹ and there was a rapid increase in the domestic use of the Army to act in situations where troubled state governments were failing to enforce public safety. The apex of this domestic intervention was reached with the presidential decree of February 2018 outlining a federal intervention in the area of public security in the state of Rio de Janeiro, nominating an Army general to head the intervention.

It is thus clear that both international and domestic law enforcement *ad hoc* experiences provided fodder, basis, justification, and purported legitimacy for key leaders in the armed forces to make

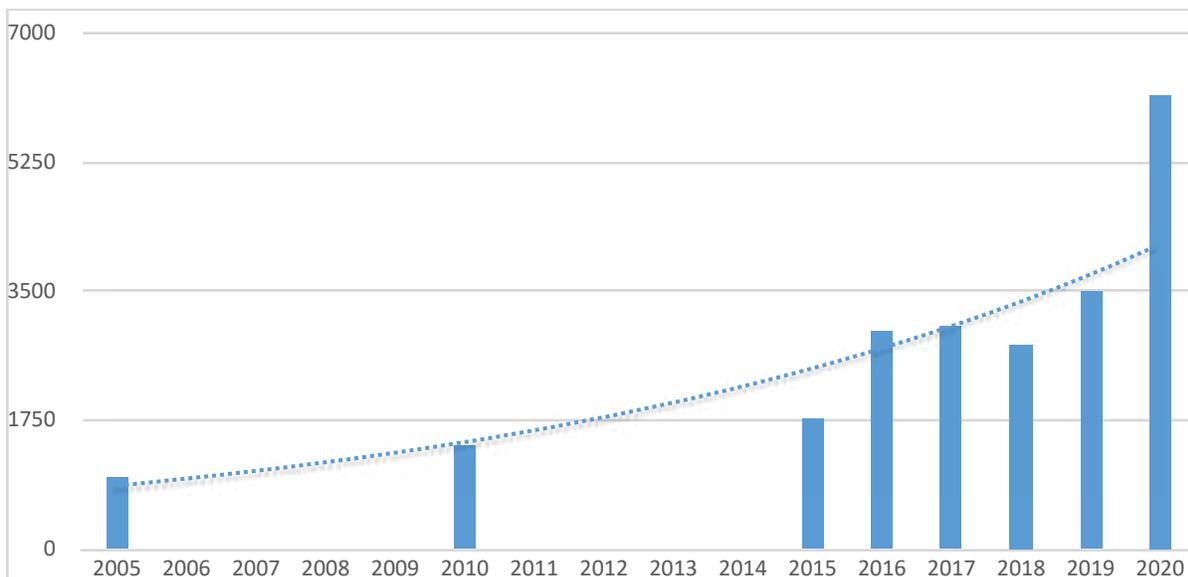
⁵⁹ Harig, C. (2022), *Militarisation by Popular Demand? Explaining the Politics of Internal Military Roles in Brazil*. Bulletin of Latin American Research. Published on 27 July, 2021 <https://doi.org/10.1111/blar.13289>.

⁶⁰ As prosaically put by the general that commanded the Army between 2015 and early 2019, "I realized that society and the elites were becoming unaccustomed to listen to the Army and the Armed Forces" (Viana, 2021).

the case for having the military occupy traditional civilian realms of power under the guise that they deliver more efficiently where civilians had failed. This argument received media support during the years of the Haiti operations and the parliamentary coup of 2016. Moreover, when Bolsonaro launched his presidential bid in 2017, he quickly became the vessel for several generals to present themselves as ready to rebuild Brazil's institutions. Subsequently, an unprecedented number of offices in the federal administration came to be occupied by former and current members of the Armed Forces.

Below, the figure shows the trajectory of military personnel serving in civil functions in the federal government. The number in 2020 is over six times the number serving in 2005 and over twice the number from 2016 to 2018. What is more, at the height of the COVID-19 crisis in Brazil, the Minister of Health was also an active general, Eduardo Pazuello, and many of the retired generals that served as force commanders for the UN in Haiti served in Bolsonaro's cabinet.

Number of military personnel serving in civil functions in the federal government (2005-2020)



Source: Nozaki (2021, 10)

The professed antipolitical element of the anticorruption narrative clearly increased the number of military in non-military functions in Brazil. But whereas military actors displayed appetite to accumulate civilian responsibilities for years, under the guise of competency and patriotism, the ways in which the Brazilian government responded to the Covid pandemic ended up discrediting the argument of armed forces efficiency in times of crisis, though the long-term consequences in both the armed forces and the country's democracy are still unclear.

*International Actors*⁶²

Beyond the domestic actors reviewed above, a major final component linking anti-corruption and neoliberal authoritarianism comes from international actors, specifically those connected to the United States. As a hegemonic power, the US has an interest influencing Brazil, a regional political and economic power. Brazil is influential within its neighborhood and captures a significant portion of global markets in commodities such as soy, beef, and iron, as well as advanced sectors such as aviation. By supporting the anti-corruption agenda, US actors engaged the judicial branch of the Brazilian state, enhanced its power to attack Leftist political actors while strengthening US firms in the Brazilian market and weakening Brazilian firms internationally.

For a variety of reasons, US efforts against corruption in Latin America accelerated in the 2000s.⁶³ It is notable that the period coincided with a growth in the number of Left governments in the region, and the US had lost economic mechanisms of diplomatic influence when those governments opposed the free trade of the Americas agreement and the US undermined its own authority in human rights by running a torture program.⁶⁴ As a convenient alternative mechanism to pressure Leftist elected officials, agencies of the US state connected themselves directly to branches of Latin American states amenable to influence by foreign interests, such as the judiciary, police, and military.⁶⁵

At first glance, US government engagement in anti-corruption might seem relatively innocuous, even proactive in building state capacity. Judge Moro himself participated in several such capacity-building efforts, including a 1998 program at Harvard, a 2007 State Department-sponsored course, and a 2009 US embassy-sponsored course in Rio.⁶⁶ He was a star performer, with prominent speaking roles, and other speakers included US diplomatic and expert presenters

⁶² Much of the material from this section comes from www.brasilwire.com, an investigative journalism website that has long presented evidence of close coordination between US and Brazilian officials on issues of anti-corruption.

⁶³ Former Ambassador Otto Reich identified Latin America as a “target rich environment” in which to use corruption to sanction individuals. <https://www.youtube.com/watch?v=QThmccq228> Checked 1/21/2022.

⁶⁴ Roa, Carlos. 2016. *Changing Tides: On the Political Changes Occurring in Latin America*. New York: CIRSD.

⁶⁵ Those connections had existed at least since 2001 (<https://www.state.gov/12889>), but at least starting in 2015, the Brazilian prosecutors eagerly went beyond the agreement, violating Brazilian law by meeting with US Department of Justice and FBI agents in secret, working together on plea bargaining testimony, and setting up an illegal scheme to return penalties paid by Brazilian companies in the US to a private entity set up by Brazilian prosecutors. <https://apublica.org/2020/03/como-a-lava-jato-escondeu-do-governo-federal-visita-do-fbi-e-procuradores-americanos/> Checked 1/22/2022.

⁶⁶ The list of trainings and exchanges involving Moro is extensively documented. <https://www.brasilwire.com/how-the-us-taught-judge-moro-to-take-down-lula/> Checked 1/21/2022.

on issues such as illicit finance, money laundering, and corruption. All comments and materials seemed to link the fight against corruption to the fight for democracy, though the US agencies involved should at least have been aware that the capacities they were imparting could be manipulated by local counterparts to distort democratic outcomes.⁶⁷ There is some indication that US agencies may not have been naïve at all, with US officials such as the ex-Ambassador to Brazil Tom Shannon pronouncing particular animus for the ‘the power project of the PT and the Latin American Left.’⁶⁸ According to CIA whistleblower John Kiriakou,

“This is not a conspiracy theory. This is an excellent example of US interference in another country’s internal affairs. . . . And it’s not just the Department of Justice. . . . The State Department and the Department of the Treasury are also involved in money laundering allegations that come out of nowhere, or allegations of corruption. . . .the Department of Homeland Security . . . , and you also have the CIA working behind the scenes. . . . This is a concerted effort by the most important elements of the US government to essentially install overseas leaders who they like and who will support the US agenda, and to destroy, not just to hinder, but to destroy those leaders who do not support the American agenda. Look at Brazil, look at President Lula, look at Dilma Rousseff, they had no bad intentions against the United States. They were democratically elected in their country, and the United States decided: ‘We don’t like them, we want someone much more on the Right.’ . . . President Lula ended up in prison, President Dilma Rousseff ended up with her reputation destroyed, and the world ended with Jair Bolsonaro.”⁶⁹

Even if US actors were naïve in their understanding of the way anticorruption would play out in Brazil, Prosecutor Dall’Agnol recognized the role of the US in *Lava Jato*, referring to the jailing

⁶⁷ Among the most vocal supporters of Moro had been corporate entities such as the Rockefeller-established Council of the Americas, whose leader, Brian Winters, expressed surprise that Moro would accept a cabinet position in the government he had helped elect, “I believe in Sérgio Moro. I know Sérgio Moro. But his decision today makes him much more difficult to defend politically” (<https://www.theguardian.com/world/2018/nov/01/bolsonaro-sergio-moro-brazil-justice-ministry-anti-corruption>). Checked 1/22/2022.

⁶⁸ Thomas Shannon, US Ambassador in Brazil from 2010 to 2013, was quoted as saying, “The Workers’ Party project pursuing ‘economic integration of South America raised serious concerns’ in the State Department and that the latter ‘considered the development of Odebrecht as part of the power project of the PT and the Latin American Left’” https://www.lemonde.fr/international/article/2021/04/11/lava-jato-the-brazilian-trap_6076361_3210.html. Checked 1/22/2022.

⁶⁹ As cited, <https://www.brasilwire.com/cia-whistleblower-john-kiriakou-speaks-about-sergio-moro-and-us-interference-in-brazil/> Checked 1/21/2022.

of Lula as a “gift from the CIA.”⁷⁰ Brazilian actors participated heartily, seeing in the US anti-corruption policy an opportunity to resolve local political and economic dilemmas. By attacking the Left, they hoped to remove the most electorally viable political force and thereby solidify the accommodationist alliance among various Center-Right and Right-wing forces.⁷¹ If the neoliberal wing of the coalition could not win power directly, they were perfectly happy to support the military-backed leadership of Bolsonaro with neoliberals in key positions such as Finance and Justice.⁷² Also, by attacking certain sectors of Brazilian capital, they could reorder the relative importance of those most favorable to the neoliberal project.⁷³

Furthermore, at least in the immediate sense, the anti-corruption mantle served to advance careerist and pecuniary interests of those involved. Moro launched from a lower-level regional court to a cabinet ministry and to a (now terminated) candidacy for the presidency in 2022, gaining a lucrative position at a US firm in the meantime.⁷⁴ The federal prosecutors involved, primarily Dall’Agnol, were promised a share of the proceeds of corruption penalties paid in the US, at least until the plot was foiled and deemed unconstitutional by the Supreme Court.⁷⁵

Finally, the US state never operates far from the interests of US-based capital, and the anti-corruption policy was no different. One of the main casualties of the *Lava Jato* investigations was Brazilian state oil company, Petrobras, which paid \$843mi in penalties in the US and \$3.4bi to settle shareholder class action suits. The losses prompted the sale of lucrative assets at fire sale prices to foreign oil companies.⁷⁶ Major Brazilian construction firms with an international

⁷⁰ <https://progressive.international/wire/2021-02-12-lava-jato-the-cias-poisoned-gift-to-brazil/en> Checked 1/22/2022.

⁷¹ In text message communication between Moro and Dall’Agnol, Moro expressed relief that they would not pursue evidence of corruption on the part of the Center-Right ex-president who had overseen the neoliberal transition of the 1990s, Fernando Henrique Cardoso, lest “it damage someone whose support was important” <https://theintercept.com/2019/08/25/lava-jato-fhc-guedes-alvaro-dias-onyx-bolsonaro/> Checked 1/22/2022.

⁷² For questions related to Bolsonaro cabinet appointments, including those from the neoliberal camp, see <https://theintercept.com/2018/12/09/brazil-jair-bolsonaro-cabinet/> Checked 1/22/2022.

⁷³ The principal sector to be spared punishment was the banking sector, among the profitable financial sectors in the world and deeply integrated with international capital. <https://theintercept.com/2019/08/25/lava-jato-fhc-guedes-alvaro-dias-onyx-bolsonaro/> Checked 1/22/2022.

⁷⁴ <https://www.alvarezandmarsal.com/insights/alvarez-marsal-hires-brazils-former-minister-justice-and-public-security> Checked 1/21/2022.

⁷⁵ <https://noticias.uol.com.br/politica/ultimas-noticias/2019/03/10/criticas-elogios-e-rusga-com-o-stf-por-tras-da-fundacao-lava-jato.htm> Checked 1/22/2022.

⁷⁶ <https://www.wsj.com/articles/brazils-petrobras-posts-loss-following-settlement-charges-1521117187> Checked 1/22/2022.

presence, such as Odebrecht, were forced to file for bankruptcy, opening Latin American markets to US companies flush with capital and without the baggage of corruption cases.⁷⁷

Brazil's Fast Democratic Erosion: Lessons Learned and Prospective Remarks

This project began with the observation that there has been an uncomfortable affinity between movements against corruption and the rise of neoliberal authoritarianism. Contemporary Brazil has been the most striking example, though similar processes are evident in India, Philippines, Italy, the United States, and several other Latin American countries. In each context, movements against corruption were quickly captured by reactionary forces, allowing authoritarian leaders to impose neoliberal economic policies and thereby address twin economic and political crises.

Authoritarian neoliberalism attempts to resolve crisis with a revolution from above. In economic terms, it unites rising factions of capital with declining factions of capital in an upper-class alliance; in political terms, authoritarian neoliberalism unites Center-Right and Extreme Right actors. Such combinations lack an immediate popular support base, but middle classes and petit bourgeoisie can be convinced to support authoritarian neoliberal solutions when distracted by an anti-corruption narrative.

In the Brazilian case, the upper-class and conservative solution to the twin crises played out through key sectors - the media, military, and judiciary. They fulfilled their function especially because their outsider and supposedly technocratic status jibed with the anti-politics of anti-corruption. They were joined by international actors, especially the US, which found anti-corruption a useful vehicle to promote allies within Brazil eager to adopt a submissive position in geopolitical and economic terms.

Before closing, it is worthwhile to reflect on the possible scenario if Lula wins the next election in ten months, as he is currently favored to do. At first glance, a Lula victory would take us back to the pre-coup moment, in which the Left had found an accommodation with elements of the Center-Right, maintaining a degree of democratic tolerance and gradually expanding social inclusion. Lula would once again mollify the interests of rising factions of capital, declining factions of capital, and the rural oligarchy, even as he brought lower classes into the coalition in a secondary manner. Such a coalition could reestablish democratic norms and institutions and soften the worst excesses of late capitalism, but it would once again be vulnerable.

It is likely that even in this more positive scenario, powerful conservative political forces could once again become frustrated at their inability to lead economic modernization from above, and middle and upper classes could once again become resentful and fearful of lower-class inclusion

⁷⁷ Brazilian Senator Requião made the accusation in 2018. <https://www.esmaelmorais.com.br/requiao-a-pgr-voces-tambem-fazem-parte-deste-acordo-de-r-10-bi-para-os-americanos/> Checked 1/22/2022.

and mobilization. Authoritarian neoliberalism always beckons in late capitalist contexts like Brazil.

To avoid such a collapse, there are two glimmers of hope for contemporary Brazil. First, if anyone has the charisma and political skills to prevent authoritarian backsliding, it is Lula.⁷⁸ There is no more significant political figure of the Latin American Left of the last fifty years, but he has to win the 2022 election for us to find out. Second, the best defense against authoritarian neoliberalism is lower-class and popular activism. Workers and peasants are the only ones with an interest in resolving economic and political crisis from below, instead of above, and their mobilization can act as the bulwark against further erosion of historical socio-economic and political gains. It remains to be seen whether such a lower class-led project is possible in contemporary Brazil and whether the country's elites are ever going to be willing to accept such a scenario.

⁷⁸ Rafael Ioris, "With Lula Back, the Political Fight in Brazil is Between Democracy and Authoritarianism," *NACLA Report on the Americas*. Available at: <https://nacla.org/lula-return-brazil-bolsonaro>.