CAPTALISM AND DEMOCRACY

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http://dx.doi.org/10.1590/0102-111138/116

The basic conditions for the operation of capitalist democracy have been most clearly laid out by Adam Przeworski. In this essay I would like to use this model to then explain exactly how capitalist democracy is being eroded across the world. I then briefly lay out and assess the Brazilian discussion of "neo-fascism", specifically the thesis of Armando Boito Jr. Finally I turn to contrasting the Italian and Brazilian cases in an effort to provide some empirical support for a general model of "neo-bonapartism".

The Basis of Capitalist Democracy

Capitalist democracy is puzzling because it is unclear how a system of relatively universal suffrage might be compatible with a class monopoly exercised over the decisive means of production. Adam Przeworski has done the most to clarify how this is possible. According to him, the basis of capitalist democracy is a class compromise in which workers exercise restraint in their demands on capitalists in exchange for capitalists continuing to invest and thereby continuing to produce society-wide economic growth. The basis of this class compromise, in turn, is profitability, because without profitability capitalists will not invest. Thus as Przeworski (1986, p. 42) writes:

> As long as the process of accumulation is private, the entire society is dependent upon maintaining private profits and upon the action of capitalists allocating these profits. Hence the efficacy of social democrats – as of any other party – in regulating the economy and mitigating the social effects depends upon the profitability of the private sector and the willingness of capitalists to cooperate.

But while capitalist profitability is the necessary condition for growth, and while growth is the necessary condition for the realization of the interests of all classes under capitalism, it is not a sufficient condition. A further requirement that must be met is that at least some of the surplus generated by capitalism be allocated according to the preferences of voters. Again as Przeworski states (1986, p. 143):

> Democracy is a social mechanism by which anyone as a citizen can express claims to goods and services which have expanded because a part of the societal product was withheld from the immediate producers.

These two arguments suggest that capitalist democracy has two preconditions. First capitalists must invest, second there must be a political force capable of actually redistributing some of the surplus so that elections have material consequences for voters. Both of these factors derive from the same basic economic condition: a pattern of accumulation premised on on the extraction of relative surplus value in which capitalists have in interest in increasing productivity so as to increase profits. Such a structure on the one hand guarantees that capitalists will have an interest in providing a context for the reproduction of the labor force, and on the other creates a social force (the industrial working class) which is at least likely to sustain democratic institutions once those institutions are established.

This raises an important question, "To what extent do capitalists in any part of the world continue to pursue profitability in this way?" Robert Brenner's recent work seems to raise serious questions about this. He has shown that, as a consequence of sagging rates of profitability, since the 1970s rates of growth have declined, from business cycle to business cycle. Social Democrats, and more generally center left political forces responded to this "long down-turn" in the way that they had always done, by attempting to improve the climate for investment: but this required them to cut public expenditure and retrench on redistributive policies. In the current period these strategies have congealed into a new structure of predation in which various forms of politically determined surplus appropriation have taken the place of the production of relative surplus value. As a result of this rather profound change basic political vehicle for redistribution, the social democratic parties and their analogues, began to unravel (Brenner 2017, p. 6, 2020, pp. 19-22).

Thus the structural basis of capitalist democracy is unraveling from both sides. It is unraveling from the side of profitability, as capitalists no longer seem particularly interested in maintaining a stable political environment for investments, and it is unraveling from the side citizen based claims because such claims are not answered. If democracy, through the 1980s was a "social mechanism" for making claims on the social surplus, this has largely ceased to be the case, and as a result the material basis of consent is disappearing.

The most obvious political result of these trends has been the emergence of a series of cartoonish demagogues, the most famous of one is of course Trump. But it is important to understand that this process began much earlier than the most recent round of right wing populism, and will very likely last until a new structure of accumulation emerges that can form the basis of a renewed class compromise.

This unravelling of capitalist democracy has produced a new political regime likely to remain common until some alternative regime of accumulation (either a renewed capitalist one or a socialist one) appears. In my view, this new form differs quite sharply from historic fascism; it is best thought as a form of neo-Bonapartist regime. Rightist and leftist forms of neo-bonapartism are likely to emerge, but they will operate within the context of a general political syndrome marked by the following three features: an atomized politically inert working class, a neo-liberalized "petite bourgeoisie", and a mass/leader relationship on both the right and the left which can be best grasped as "populist" rather than "party integrated".

This paper will provide some justification for these claims by focusing on two cases, one at the beginning of the process (Italy and the rise of Berlusconi), and a second more recent one (Brazil and the rise of Bolsanaro). The paper seeks to show the surprising similarities between these two cases: one in the "periphery of the core" (Italy), and another in the semi-periphery (Brazil). Before the discussion of these cases however, I would like to say a few words about the state of Marxist discussion in Brazil focusing on the work of Armando Boito.

The Current State of Marxist Discussion on Brazil

One of the main foci of the current Marxist discussion of Brazil is how to classify the Bolsonaro government. Armando Boito has gone the furthest in systematically laying out the argument that the current government is a type of fascism, or at least is potentially such. Given the care and thoroughness with which Boito has laid on this position, some consideration will be necessary.

The Boito Thesis

Boito's basic claim is that the movement to impeach Dilma Rousseff which began in November of 2014 led ultimately to a government in which a "neo-fascist political

group predominates" (Boito, 2021, p. 1); for Boito this neo-fascist movement has as yet to establish a neo-fascist regime, but could, presumably in the future. This raises three questions: what is fascist about the "neo-fascist" movement? The second is, what is "neo" about it? And the third it is what is Boito's analysis of its emergence?

Typologies: Historical and Neo

Boito, drawing on Togliatti and Poulantzas, offers a general definition of fascism as a "reactionary mass movement rooted in the intermediate classes of capitalist social formations" (Boito, 2021, p. 5). It is the mass base of fascism that distinguishes it most clearly from military dictatorships on the one hand, and it is its clearly reactionary political content that distinguishes it from bonapartist regimes on the other.

What, however, makes this political movement "neo"? First, the character of the mass base differs. Neo-fascism is not based on the petite bourgeoisie, but rather on the "upper middle class". As Boito puts the point, "In original fascism the social base was composed mostly of small proprietors, the petite bourgeoisie; in Brazilian neo-fascism of the XXI century, the social base is composed primarily of the middle class, and particularly the upper middle class" (Boito, 2021, p. 5).

The second difference concerns ideology. In both the case of classic fascism, and in neo-fascism the mass base described above generates a critical ideology that allows the movement to reach beyond its core class and establish a broader popular following that transcends either the petite bourgeoisie, in the historical cases, or the upper middle classes in the case of neo-fascism. What is the character of this ideology? In the case of historical fascism it is a critique of finance capital and, quite paradoxically, big capital, from the perspective of small proprietors. In the case of neo-fascism

the "upper middle class" develops a critique of the "old politics" and "corruption" (Boito, 2021, p. 5). This reached its high point in the Lava Jato protests.

The third major difference between historical and "neo" fascism concerns the nature of the popular and democratic organizations against which it aims. In the case of fascism these forces were organized as socialist and communist parties: mass organizations that "aimed at the transition to socialism" (Boito, 2021, p. 7). This is totally different from neo-fascism whose "enemy… is the democratic and popular movement, guided by a superficial reformism and without a mass party organization" (Boito, 2021, p. 7). The neo-fascist movement, as a result, also lacks a party organization, relying instead on pentecostal and neo-pentecostal churches and social networks (Boito, 2021, p. 7).

The fourth major difference between fascism and neo-fascism concerns the class interests that the movement actually serves. As in historical fascism, so in neo-fascism,the movement instrumentalizes a specific intermediate stratum to achieve the aims of a specific fraction of capital. But in historical fascism this is monopoly capital. In neo-fascism the movement "leads to a government coopted by international finance capital and by the fraction of the Brazilian bourgeoisie integrated into it" (Boito, 2021, p. 8). Table One presents the contrast between the two schematically.

Table 1
Contrast Between Historical Fascism and Brazilian Neo-Fascism According to Armando Boito Jr.

	Historical Fascism	Brazilian Neo-Fascism
Mass Base	Petite Bourgeoisie	Upper Middle Class
Ideology	Critique of Finance Capital/Big Capital	Anti-Corruption, Attack on the "Velha Politica".
Political Enemy	Mass Socialist and Communist Parties	Superficial Reformism
Class Fraction Brought to Power	Big Capital/ Monopoly Capital	International Capital/ Brazilian Capital linked to International Capital

The Political Crisis

Boito's ambition goes beyond typologizing. He develops an explanation for neo-fascism by investigating the kind of political crisis produces fascism generically, and the two sub-types (historical and neo) more specifically. For Boito, again following Poulantzas, there are six basic elements of the crisis that leads to fascism:

> 1 – There is first a sharpening of conflict within the power bloc, among fractions of the bourgeoisie. For Boito the main conflict is between the internal and external bourgeoisie.
>
> 2 – There is second a crisis of representation within the dominant class.
>
> 3 – There is third an increasingly politically active military and civilian bureaucracy.
>
> 4 – There is fourth a working class that suffers a series of defeats.
>
> 5 – There is fifth a petite bourgeoisie that forms itself as a distinct social force.
>
> 6 – Sixth, and finally there is a generalized ideological crisis.

Boito claims that "This type of political crisis, and this dynamic, altering what needs to be altered, is similar to that which we have seen in Brazilian politics in recent years" (Boito, 2021, p. 12). Thus Boito investigates each of these elements in the Brazilian situation after 2014.

For Boito the main lines of conflict within the capitalist class counterpose national capital, that is the "grande burguesia interna" to international capital, and that part of Brazilian capital integrated with it. Boito periodizes the

history of Brazil in terms of the shifting relationship among these two actors. During the Vargas period, from 1930 to 1964, an alliance developed between the bureaucracy and a weak and emerging industrial bourgeoisie. After 1964, under the military regime that followed, an equilibrium was established among "state capital, private national capital, and foreign capital". This was the period which lasted into the 1980s of Evans' "dependent development" and Cardoso's "new dependency" (Boito, 2021, p. 14). The rise of neoliberalism undermined this alliance; international capital was no longer interested in the industrialization of the semi-periphery, and its interests could no longer be articulated as a development project (Boito, 2021, p. 14). Fernando Henrique Cardoso's (Hereafter FHC) government expressed the new thinking by opening the banking sector, reducing subsidized loans to agriculture, and reducing expenditure on public works; all of this, according to Boito severely damaged the interests of the internal faction which by 2002, it seems almost out of desperation, backed the PT. The PT government was able to articulate the interests of the "grande burguesia interna" which under Lula emerged "as the hegemonic fraction of the power bloc" (Boito, 2013, p. 175). As long as the PT governments were able to preside over a growth project the hegemony of this sector was secure. However, as growth slowed after 2010 the neo-developmentalist coalition now entered a crisis.

Following the collapse of neo-developmentalism coalition there was a crisis of representation among the parties of the bourgeoisie. The historical vehicle of international capital, the PDSB, was unable to take political advantage of the crisis; it hesitated between supporting Dilma's impeachment, and not. The PMDSB, a kind of amorphous clientalist formation, proved equally unsuited to the moment. In the first turn of the elections of 2018 these two parties combined were able to capture only about six percent of the vote (Boito, 2021, p. 20).

The third dimension of the political crisis was the activism of the bureaucracy, particularly of the judicial branch organized in a militant campaign under Lava Jato: courts and prosecutors were deeply involved in this effort (Boito, 2021, p. 18).

The fourth dimension of the political crisis was a series of working class and popular sector defeats. Boito lists several examples of such defeats: abandonment of the neo-developmentalist program, impeachment, a series of neoliberal reforms. These demoralized the working class (Boito, 2021, p. 18).

The fifth dimension of the crisis was the emergence of the upper middle class as a "distinct, reactionary, and active" social force (Boito, 2021, p. 17).This was the basis, first, of the Lava Jato campaign and then of Bolsonaro's rise to prominence. Part of this middle class support, according to Boito, was driven by the slight social ascent of the "lowest income strata" an ascent that had been favored by PT policies (Boito, 2021, p. 17).

The sixth dimension was the ideological crisis. This manifested itself in two ways. Firstly in Dilma's partial embrace of neoliberal reforms, and secondly in the extraordinary naiveté of the PT leadership in the face of the Lava Jato campaign.

These six elements together produced a political crisis out of which Bolsonaro emerged. This analysis raises four clusters of questions.

Points of Critique

Boito Jr.'s analysis is thorough and systematic. Yet it raises a number of questions which I will pose here as a stimulus to developing an alternative position.

I – The Question of Fascism

What to make, in the first place, of Boito's central claim that a neo-fascist group has emerged in power in Brazil following 2018? It is important to note that in Boito's

own analysis neo-fascism shares almost nothing with its historical predecessor (see table one): it has a different mass base (upper middle class rather than petite bourgeoisie), its ideology differs (critique of the "velha politica" rather than a critique of big capital), its political enemy differs (superficial reformism rather than mass socialist and communist parties), and the fraction of capital brought to power also differs (foreign capital, rather than monopoly capital). This raises a basic question. Why should the same term "fascism", even with the modifier "neo", be used to refer to realities that seem so basically different from one another on Boito's own account?

However, regardless of this debate, Boito's analysis shows the utility of Poulantzas's framework as a heuristic device allowing him to organize the empirical materials in an explanatory framework. This analysis raises a number of important substantive questions.

II – Fractional Analysis of Brazilian Capital

The second issue that needs posing is the internal coherence and empirical plausibility of Boito Jr's fractional analysis of Brazilian capital. Boito Jr. follows a long tradition growing out of Poulantzas, but of course reaching back to Marx's Eighteenth Brumaire, that attempts to explain politics as the outcome of the conflict of fractions of the capitalist class. But this analysis raises two crucial questions. Let's begin by taking for granted, for the sake of argument, that fractions of the capitalist class exist that can identified through the use of empirical materials. (In the section that follows I will question this assumption). This raises the question, by what criterion should we divide the fractions?

One proposal is the division between a "rent-seeking" and a productive bourgeoisie. But the problem with this approach that the financialization of production has proceeded in Brazil to such an extent that the "productive" bourgeoisie also has

"rent-seeking" interests. Singer hints at this problem when he suggest that, "The imbrication of productive enterprises and rent seeking investments and the association of national within international capital dilute the well-established frontiers of the past" (Singer, 2018, p. 66). Thus, "As a captain of industry the entrepreneur wants cheap credit, and therefore a reduction in the interest rate. However as the owner of a conglomerate that is also financial, he aspires to high interest rates that remunerate the invested money" (Singer, 2018, p. 67).

Boito Jr., highly aware of this problem, proposes a different line of division. For him the fractions in question are between the "external" and the "internal" bourgeoisies. Thus he claims that banks resisted FHC's policy of internationalizing Brazilian financial markets, that industry in general resisted market opening policies, and that the construction sector was damaged by FHC's hostility to public works. In an earlier publication Boito identifies the "grand burguesia interna" as "naval and civilian construction, processing industries, mines and others" (Boito, 2013, p. 175). The question of the nature and coherence of the internal bourgeoisie is clearly an open research problem; one would want to have information on the investement portfolios of the main capitalist families in Brazil. Presumably this would be a quite difficult task.

There do appear to be some empirical problems already with the approach, however. The key one concerns the behavior of this faction in relation to the PT governments. The basic problem is, if the PT governments in fact expressed the hegemony of this fraction within the power bloc, why did it do so little to defend Dilma? As Singer (2018, p. 65) puts the point, "why did it not mobilize to defend the developmentalist attempt when this was encircled by the powerful forces of international financial capital? Why on the contrary was the return to neoliberalism which

in theory was not in its interests turbocharged?" I don't see a clear answer to this issue within Boito's framework.

There is also a theoretical difficulty that needs to be addressed. The idea of a productivist bloc linking the "productive" bourgeoisie and the working class, however problematic in reality, makes sense precisely in terms of the Przeworski argument outlined at the beginning of this essay. This is because both industrialists and workers have an interest in economic growth; but this occurs only on the condition that the bourgeoisie in fact re-invests its profits. Boito's internal bourgeoisie, in contrast, has no necessary interest in a productivist class compromise. It wants simply captive markets and lowered competition. In sum, even if it is correct that the Brazilian capitalist class is fractured along internal and external lines in the way that Boito Jr. claims it is, it remains unclear why this social force (the internal bourgeoisie) would support any sort of even mildly reformist government.

III – Alta Classe Media

The third issue that needs to be addressed is the mass base of "neo-fascism".

Boito argues that the mass base of Brazilian neo-fascism is the "Alta Classe Media". Like the "petite bourgeoisie" in the classic cases of fascism this is an "intermediate stratum" in capitalist society, but, unlike the petite bourgeoisie it social existence is not premised on the ownership of small property. However, exactly what this "Alta Classe Media" is, and how its interests should be understood in theoretical terms, remains somewhat vague. The stratum in Boito's conception resembles Poulantzas's "New Petite Bourgeoisie". This is a group whose social position is based on qualifications rather than ownership claims. Boito relies much on the research of Reginaldo Prandi, who defines the typical radical Bolsonaro follows as "a white middle aged man of medium-high social extraction". But I wonder

about this. On Prandi's own analysis, although the hard core of Bolsonaro is over-represented in these groups most of them are not hard core Bolsonaro supporters. Even among entrepreneurs, the group which contains the highest proportion of such people, only 32% are hard core Bolsonaro supporters. What are the politics of the other 68%? In general it seems like a much better sociology of the "intermediate strata" is needed.

It is also not clear to me that the evidence from the surveys administered to the protestors of the Lava Jato movement, and the street protests demanding Dilma's resignation entirely square with Boito's analysis. The evidence from the surveys again reported by Singer suggests that the protests were dominated by the relatively highly educated. Fort-three percent had a university degree compared with the 13 percent of the Brazilian population (Singer, 2018, p. 111). However the income of the protestors seems top provide a different picture since more than 50% could be considered low income (Singer, 2018, p. 114). Obviously this evidence could be interpreted in various ways. There is at least some basis for thinking, however, that a process of blocked upward mobility may have been behind the resurgence of the right.

In general, this is not a particular criticism of Boito; the problem of developing an adequate sociology of the "intermediate strata" is a major task of marxist political theory.

IV – Ideology

A fourth difficulty that Boito Jr.'s analysis faces concerns the problem of ideology. He treats the critique of corruption embodied in Lava Jato as the functional equivalent of the petit bourgeois critique of monopoly capital in inter-war fascism. This, to my mind, is a stretch. Historical fascism offered a social vision: a theory of society based on the two main ideas of corporatism and nationalism. Anti-corruption is not a theory of society. It is a rather crude

policy program. Although I agree with Boito that it is a key element of the situation in Brazil, and indeed as I will to show below elsewhere (especially in Italy), I do not think it can reasonably be analogized to fascism.

V – The Comparative Problem

The final question that needs to be posed is, is it possible to understand the rise of a figure like Bolsonaro by focusing exclusively on Brazil? Here it seems to me there is a danger of creating an overly idiographic explanation. But Bolsonaro is obviously not an isolated phenomenon, rather he is part of a broad wave which has deep structural roots in the nature of contemporary capitalism that seem to reach beyond any specific case. In the US for example the focus on immigration as a major cause of the rise of Trump has little applicability to Brazil or India. What is needed therefore is a framework that is flexible enough to account for the specificities of the cases, and general enough to register the political crisis of capitalist democracy on a world scale.

From Points of Critique to Points of Departure

On the basis of the previous two sections I want to begin here to develop an alternative framework, and sketch in some materials that might lend some plausibility to this explanation.

The first question that needs to be posed is to what extent the emergence of Bolsonaro out of juridical witch hunt which delegitimized an entire section of the political class (particularly the PT), is a specifically Brazilian phenomenon? To begin to answer this question it might be useful to contrast the Brazilian case not so much with historical fascism, as with the striking parallel that unfolded in Italy about two decades before. I want to try out, in this regard, three fundamental historical parallels.

First, in both cases a period of growth led to a process of "petit bourgeoisification" of the social basis of the left-wing

parties, transforming a part of their previous electorate into supporters of the right and the far right.

Second, in both cases there was a sharp downward turn in growth rates that created a crisis of "developmentalism" in the one case, and a crisis of convergence to the core in the other case.

Third, the parties of the left and center-left in both cases adopted a politics of anti-corruption that played directly into the hands of the right and far right, and made possible the rise of Berlusconi in Italy and Bolsonaro in Brazil. This turn toward a discourse of anti-corruption was itself an expression of the collapse of "developmentalism", to use that term generically. Lacking a plausible for growth the left fell into the trap of the politics of anti-corruption which redounded to the benefit of the right. I take each of these dimensions in turn.

Italy

The Economic Miracle

Italian growth from the period between 1946 and 1973 was among the most impressive in the OECD area (Boltho, 2013, p. 109; Ricolfi, 2019). The country's economic regime combined heavy internal controls (for example the maintenance of state owned corporations in banking and large scale industry) with relatively low protections from international competition (Boltho, 2013, p. 114). This mix generated a peculiar pattern of exports which were mostly focused on high-end consumer items (Boltho, 2013, p. 115).

Some level of redistribution was made possible by these extraordinary levels of growth. In what is perhaps the best overall indicator of progress, it was only during this period that real gains were made in closing the divide between the North and the South (Felice, 2013, p. 102). Indeed by 1987 Italy briefly overtook the United Kingdom in GDP per capita (Felice and Vecchi, 2015, p. 508).

The political system that governed this economy, the so-called First Republic, was structured by two mass parties: Democrazia cristiania (DC) on the center right and the Partito Communista Italiano (PCI) on the left. The basis of the system was an exchange of "culture" (PCI) for "power" (DC). Although this political system has been roundly criticized in both political sociology and political science for being anomalous and dysfunctional, the period that runs from roughly 1945 to 1979 contains the greatest democratic efflorescence in Italian history; the country had extremely high rates of political participation, powerful social movements, a very robust civil society, and an extra-ordinarily high quality of political debate (Anderson, 2014, p. 47).

The most distinctive feature of this political system was the existence a mass communist party within a democratic context. The PCI was, relative to population, the largest communist party outside of the Eastern Bloc up until the 1990s. Italy, unlike Germany, France, Austria, and Scandinavia never produced a social democratic party. The left of its political system remained formally committed to the transcendence of capitalism up until the early 1990s.

The Collapse of the Economic Miracle

There were three important changes in Italian capitalism that undermined this structure. The first, and most obvious, of these was slowing down of growth after 1973, and then its disappearance after 1995. From the entire period from 1994 to the present Italian growth has never exceeded 2 percent, and for most of the last ten years growth has been under one percent, and was negative from 2010 to 2016 (Felice and Vecchi, 2015, p. 514; Ricolfi, 2019).

The second transformation occurred in the mid seventies and concerned the structure of the Italian working class. Italy was the site of the most militant working class in the advanced world up until around 1970. Part of

this militancy was linked to the absence of virtually any welfare state, itself a legacy of the deep social continuity between fascist and Republican Italy. Unlike what occurred in Germany and Japan, the personnel and organizational forms of Italy's capitalist class remained virtually unchanged after the war (Botho, 2013, p. 111).

The Italian situation mutated quite dramatically in response to the labor upsurges of 1969 to 1970: the so called "autunno caldo". This was the last episode of major working class gains over the entire post-war period. Wage increases and labor regulations were established which were in a sense a rapid catch-up to the welfare states that had been established in northern and western Europe two decades earlier (Botho, 2013, p. 115-117).

These class struggles produced a distinctive economic model after the seventies. Very generous wage accords, agreed to in 1975 by the major employers' organization and the unions created internal inflation as salaries were now decoupled from productivity increases. Italian firms responded to this problem in two ways: through currency devaluations which were a mechanism of shifting the cost of the class compromise onto foreign markets, and through a strategy of minimization in which firms sought to avoid the automatic wage increases which applied only to companies with more than 15 employees (Felice, 2018, p. 141). Thus, partly as a response to the labor militancy described above a network of small and medium sized enterprises emerged in the north of the country (Felice and Vecchi, 2015, p. 528). As a consequence of this industrial restructuring in which small and medium sized firms replaced the larger factories, the working class itself began to fragment; it is suggestive in this regard that a substantial proportion of the working class shifted to supporting the Lega Nord (LN) in the 1980s in precisely those areas where this new industrial model had taken hold (Anderson, 2014, p. 85).

Apart from these conjunctural factors a deeper structural transformation of Italian society also unfolded during the economic miracle: the phenomenon of cetomedizzazione or "middle-stratification". This middle class group which was already around fifty percent of the population in 1971 had to grown to well over half by the early 2000s (Cipoletta, 2015, p. 7).

The third feature of Italian society was its extraordinary high level, and relatively equal distribution, of household wealth (Dagnes, Filandri and Storti, 2018, pp. 179-180). On the basis of a very high savings rate, combined with a large amount of state debt, and an extremely tight real estate market, a significant sector of Italian society lives off rents in one form or another (Ricolfi, 2019, pp. 67-68). The average wealth of an Italian family in 1951 was about 100,000 euros at current prices. This had increased to 350,000 euros by 1991 (Ricolfi, 2019, p. 52). Although income inequality has increased in Italy, the distribution of wealth is substantially more equal at least among Italian citizens.

Excluded from this citizen is a stratum that Luca Ricolfi refers to as a "para-slave" group. They are constituted by immigrants from the middle East, from Eastern Europe, and from North Africa who work toil as seasonal agricultural laborers, prostitutes, domestic service providers, and work in restaurants (Ricolfi, 2019, pp. 71-81). They are largely without rights, and are subject to violence and arbitrary dismissal. (The combination of high consumption with an immiserated sub-proletarian will be highly familiar from the Brazilian experience.)

The PCI proved completely unprepared to deal with the transformation of the Italian economy in the eighties. A party which was organically linked to the northern industrial working class, and to a lesser extent the souther peasantry, simply had little social base in the class structure that had been generated by the dramatic economic changes during

the years of the long boom. This process of "fragmentation" of the PCI base was quite clearly the structural reason for the rise of the Italian populist right in the nineties.

Thus, to conclude, there were two broad forces that undermined Italian democracy in by the nineteen nineties. The first and most obvious was the end of economic growth, and the corresponding financialization of Italy's capitalist class. The second was the hollowing out of the organizations of the Italian working class, and particularly the collapse of the PCI. Democracy was eroded both from "above" and from "below" therefore. This laid the foundations for the rise of Berlusconi in the nineties.

Berlusconi

Following the period of the historic compromise, Italian politics entered into a holding pattern in which levels of political corruption, particularly under Bettino Craxi, increased vertiginously. In place of the attempted alliance between the DC and the PCI a new five-party coalition emerged. This formed the immediate background for the political earthquake (Tangentopoli – Bribe City) that finally destroyed the First Republic.When Tangentopoli swept the DC away in 1992 the road seemed open for the left to assume power. However, the PCI's successor party, the Partito Democratico di Sinistra (PDS), proved unable to seize this opportunity: in part because, massively exacerbating the strategic errors described above during the Svolta di Salerno and the historical compromise, it foolishly abandoned its own political traditions and embraced anti-corruption as a cause (Anderson, 2014, p. 22).[1]

[1] This does not imply that the PDS was incapable of acting as a political force in parliament. Its leader during these years, Massimo D'Alema, was one of the shrewdest parliamentary actors in the history of Italian democracy: successfully scuttling both the first Berlusconi government, and that of Romano Prodi. However, he did not to build the capacity of the PDS as a mass party. Despite his tactical brilliance he left the strategic initiative to the right.

Given a left in this situation, the main beneficiary of Tangentopoli was bound to be on the right. In the case of Italy, the real-estate tycoon, and sometime pleasure cruise singer, Silvio Berlusconi. He came to power on the basis of an alliance with the fascist successor party Alleanza Nazionale (AN), led by Gianfranco Fini, and the LN led by Umberto Bossi. This coalition gave Berlusconi's alliance a strong political basis both in the economically advanced north (through Bossi) and in the backward south (through Fini).

Berlusconi's years in power prefigured the current global turn to "right wing populism" in many respects. He was a political outsider using a massive media presence to run on a simple and direct program promising infrastructural investment for the south, a crack-down on immigrants, and a reigning in of the supposedly unaccountable judiciary (Anderson, 2014, p. 26; Ginsborg, 2003, p. 26, pp. 43-44; Mazzoleni, 2018, pp. 364-365).[2] Berlusconi showered state employees with personal gifts and described his political followers as "friends" and a "clan", thereby prefiguring the ostentations mixture of public and private life which has become prevalent among right wing populists (Ginsborg, 2003, pp. 43-44). Finally, he opened the Italian political system to the far right: a political element that had been excluded during the previous decades (Ginsborg, 2003, p. 25).

Brazil

Certain longstanding elements of Brazil's social structure are worth emphasizing here. The Brazilian economy after 1945 had a significant agricultural export sector. Distinctively, however, it also possessed a quite developed

[2] The connection between Berlusconi and Craxi was intimate. Craxi was godfather to one of Berlusconi's children, and the best man at his second wedding. Furthermore, the Craxi government provided Berlusconi with crucial legal support as he consolidated his media empire. Craxi oversaw three special decree laws that allowed Berlusconi to retain ownership of three private television channels.

class of industrialists increasingly autonomous from the agrarians. Furthermore after the fifties a relatively militant industrial working class began to emerge (Anderson, 1988, pp. 51-53). Brazil thus exemplifies to some extent the "diagonal" class conflict between the working class and the agrarians that formed the basis for Latin American authoritarianism in the seventies (Anderson, 1988, p. 46). Furthermore the country has a large sub-proletariat, defined as those who are unable to subsist on their normal wages, liable to shift rather rapidly from left to right or vice-versa (Singer, 2018, pp. 131-132).

Brazil's political system also has certain distinctive features. Like other Latin American countries it institutionally combines a European style parliamentary system with proportional representation and a strong US style presidency. There is thus an executive with wide formal powers, but which typically lacks a parliamentary majority (Anderson, 2019, p. 108). Even without strong party support, however, the presidency is potentially a very powerful office, particularly given the country's large public sector (Anderson, 2019, p. 23).

Mass politics in Brazil dates from 1945. It has had three main characteristics: a steadily, if gradually, expanding electorate from 16% in 1945, to 24% in 1962, increasing to 70% in 2014, a highly regular electoral calendar, and finally a large reservoir of patronage especially in the northeast of the country (Singer, 2018, pp. 135-136). This zone has since the late nineteenth century been governed by interconnected political families grouped together under party labels but with little clear political profile apart from a dedication to self-enrichment (Anderson, 2019, p. 15).

In the context of these structural features, Brazilian politics has been organized into three main currents since 1945. A left, and right, and an amorphous clientalistic center.

Left wing politics in Brazil have been historically more populist than communist or social democratic.

The Brazilian communist party, which had initially been quite strong, was eliminated as a serious political force when it was outlawed in May of 1947 (Anderson, 1988, pp. 52-53; Singer, 2018, p. 138). Thereafter the Partito Trabhalista Brasilieira (Brazilian Labor Party, PTB) emerged as the main working class party, paradoxically led by Getulio Vargas.

The other two main forces in the Brazilian political system were historically the União Democrática Nacional (National Democratic Union, UDN), and the Partido Social Democrática (Social Democratic Party, PSD). The first of these parties expressed an alliance between the urban middle classes and a sector of the rural oligarchs. They coalesced around a liberal platform critical of state intervention and capital controls (Singer, 2018, p. 137). The second of these parties, whose name is entirely misleading, was also created by Vargas. This party was the creature of local officials in the vast rural hinterland of the country who depended on state funds to solidify their political following. For the representatives of the PSD the crucial point was not to pursue a political program, but to participate in the government (Singer, 2018, p. 140).

These were the main parties up until the 1964 coup. The military regime that came in after 1964 forced a re-organization of the party system amalgamating the PSD and the UDN into a new pro-government organization: the Aliança Renovadora Nacional (National Renewal Alliance, ARENA). Against this regime party stood the Movimento Democrático Brasileiro (Brazilian Democratic Movement, MDB). As the regime gradually opened the MDB won a massive victory in the 1974 elections (Singer, 2018, p. 144).

From the mid seventies to 1980 an opposition between ARENA, as a "party of the rich" and the MDB as the "party of the poor" emerged. But by the mid eighties a new party system emerged out of the splitting apart of the old

MDB into three new parties: a center left party based among educated professionals and led by FHC (Brazilian Social Democratic Party, PSDB) a clientalistic formation called the Partido do Movimento Democratic Brasileiro (Brazilian Democratic Movement Party, PMDB), and the new Partido dos Trabahaldores (Workers' Party, PT) (Anderson, 2019, p. 10; Singer, 2018, p. 149).

FHC modeled the first of these formations on the Eurosocialism of González and Mitterand (Anderson, 2019, p. 10). The PMDB, in contrast, was the latest iteration of a party of the interior based on clientalistic relations in the rural zones of the Northeast (Singer, 2018, p. 148). The PT sought from the beginning to distance itself from the old Vargas-style populism, and establish itself as a class party (Singer, 2018, p. 146). It was this new element the only "new working-class party of classical dimensions since the war" (Anderson, 2019, p. 28) that would shape Brazilian democracy over following two and half decades.

The Brazilian social structure constrained the ability of the PT to present itself as a "party of the poor". For as Singer points out the PT was largely a formation of the unionized working class in formal employment, but had much greater difficulty in winning over the support of a large part of the poor who piece together their existence with occasional employment (Singer, 2018, p. 151). This, group has historically been the basis of popular politics of the right axed on "order" rather than "equality". This explains why Lula lost the poor and the elections of 89, 94, and 98. It was only in the election 2002 when the party moved to the center, that it neutralized tendency of a faction of the lowest income group to vote for the right (Singer, 2018, p. 152).

Lula's PT came to power in 2002, and was immediately put on the defensive. Faced with sluggish growth and mounting debt the government had to focus in the first place on restoring business confidence (Anderson, 2019, p. 54).

However the economy improved after 2004, and between 2004 and 2013 the PT presided over a historic improvement in the living conditions of some 60 million Brazilians in poverty and extreme poverty (Singer, 2018, p. 78).

Following the research of Waldir Quadros, Singer produced a table demonstrating the effects of the Lulist governments on the Brazilian class structure. Quadros divided the Brazilian population into five groups: "High Middle Class", "Middle Middle Class", "Lower Middle Class", the "Working Mass", and the "Extreme Poor". Quadros's research showed that over the period from 2002 to 2015 two shifts occurred: an impressive reduction in the percentage of the extreme poor from 24% to 7.5%, and an increase in the lower middle class from 29.2% to 44.4% (Singer, 2018, p. 80). Singer interprets this evidence as showing two shifts: one from from the extreme poor into the "Working Mass", and a second from the "Working Mass" into "Lower Middle Class". Thus, he argues, the stable percentages in the "Working Mass" covering what was in fact a massive churn in the personnel of the "Working Mass" (Singer, 2018, p. 85).

Paradoxically the PT's very success in promoting a certain form of social mobility undermined the sociological basis of the party. This was because many of the people who moved from the category of the "Extreme Poor" to the "Working Mass" ended up in the service sector. Those employed in services grew from 40% of the population in 2003 too 51% of the population in 2014 (Singer, 2018, p. 92) The working conditions of this upwardly mobile group tended to pull it away from the PT (Singer, 2018, p. 88).

Conclusions

The question that must be asked then is why was there such a similar outcome in two very different parts of the world at different times? It seems clear enough that any explanation narrowly focused on Brazilian or Italian

particularities is unlikely to be convincing. There are similarities between the cases, but they are radically different in terms of their levels of economic development and in terms of their political cultures and languages. What the cases share most obviously however are two interlinked processes which are connected to quite profound political economic trends. The first is the dramatic slowing, and in the Italian case collapse, of growth after a period of relative economic dynamism. The second is the erosion of the working class in part as a consequence of the very success of previous reformist governments. The hypothesis, it is no more than that, is that these structural trends of contemporary capitalism have produced a "neo-bonapartist" syndrome in which "outsider" figures are able to coalesce petit-bourgeoisiefied masses around a personalistic politics aimed at liberating the society from what is presumed to be an inherently corrupt state. This process must be viewed both "from above", and "from below". "From above" the key issue is the emergence of a new form of accumulation linked to a new type of capitalist class. This new form of accumulation bases itself on the use of raw political power to redistribute existing resources; unlike mid-century capitalism it cannot deliver economic development. From below the key issue is pervasive atomization in part produced by a general withdrawal of investment, and in part produced the expansion of credit and homeownership.

These processes together generate political conflicts axed on the "role of government", and in which the main social base can be understand as two fractions of the petite bourgeoisie. One fraction of the petite-bourgeoisie commits itself to the defense of "good government" and "anti-corruption". Another fraction commits itself to the destruction of the state as irredeemably corrupt; society, from this point of view, is in a need of a "bonapartist" outside to restore national greatness. On both sides what

is apparent is a process of authoritarian "juridification" of politics, in which the central issue becomes legality or illegality. This is likely to characterize foreseeable future. What is crucial to see is that on neither side of the political spectrum is there any plausible developmental or growth project. The politics on offer are a form of substitute or degenerate hegemony in which the hegemonic claim cannot be articulated in terms of a promise to deliver rising living standards to at least a large segment of the population. This is the basic structural problem of capitalist democracy not only in Brazil, but everywhere. The only way out of this crisis is to develop a new structure of accumulation, either within or preferably beyond, the capitalist framework.

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CAPITALISM AND DEMOCRACY

DYLAN RILEY

Abstract: There are many accounts of "right wing populism". Some emphasize income inequality, some culture, some the specifics of particular political systems. This paper takes a step back, and provides a longer term structural view. Its central contention is that what is happening in the world today is a structural crisis of capitalist democracy. The specific political styles and causal pathways that brought men like, Trump, Bolsonaro, Duterte, and Modi to power are hard to specify. What is blindingly obvious is the increasing detachment of large parts of the population from liberal democratic forms. The underlying cause of this detachment is the unravelling of the "material basis of consent" that had marked capitalist democracies in the post-war period. Unsurprisingly this unravelling has progressed the most in precisely the periphery of the core, and the semi-periphery. It is these countries that have become the political path-breakers for the more consolidated capitalism's of the core. I sustain these claims in what follows through a brief comparative analysis of the rise of Berlusconi in Italy who was the "canary in the coal mine" of the current wave of Bonapartist figures, and Bolsonaro who is the most important current exemplar of the type.

Keywords: Capitalismo; Democracy; Neobonapartism.

CAPITALISMO E DEMOCRACIA

Resumo: *Dentre os muitos relatos de "populismo de direita", uns enfatizam a desigualdade de renda, outros a cultura, e outros ainda as especificidades de um dado sistema político. Este artigo dá um passo atrás para desenvolver uma visão estrutural de longo prazo. A tese principal propõe interpretar o cenário mundial*

enquanto crise da democracia capitalista. Os estilos políticos específicos e trajetos casuais que levaram homens como Trump, Bolsonaro, Duterte e Modi ao poder são difíceis de pontuar. O que nos parece óbvio é o crescente desprendimento de grande parte da população das formas democráticas liberais, cuja causa subjacente é o deslindamento da "base material de consentimento" que marcou as democracias capitalistas no pós-guerra. Não por acaso, este deslindamento tem mostrado maior progresso precisamente na periferia e semiperiferia. Esses países têm se mostrado inovadores políticos frente ao capitalismo mais consolidado do centro. Sustento essa argumentação por meio de uma breve análise da ascensão de Berlusconi na Itália, considerado o "canário na mina" da atual onda de figuras bonapartistas, e Bolsonaro, o mais importante exemplar do tipo atualmente.

Palavras-chave: *Capitalismo; Democracia; Neobonapartismo.*

Recebido: 06/06/2022 **Aprovado:** 20/06/2022