

Economic Overview of Bolsonaro's Authoritarian Neoliberalist Development Strategy in Brazil

By
Karina Devira Siswanto

9.265 Words

Submitted to
Central European University
Department of International Relations

*In partial fulfilment of the requirements for the degree of
MA in International Relations (1 Year)*

Supervisor: Professor Andrew Xiang Li

Vienna, Austria
2022

ABSTRACT

The popularity of authoritarian governments is rapidly growing. Following the Global Financial Crisis in 2008, a new phase of neoliberalism called "authoritarian neoliberalism" arose, characterized by economic development and increased government involvement in repression and social exclusion. This idea, in particular, highlights how contemporary capitalism encourages and depends on practices that strive to marginalize and restrict nonconformist. Authoritarian neoliberalism is usually promoted by populist and ring-wing leaders. Among the rising populist leaders worldwide is President Jair Bolsonaro of Brazil. The winning of Bolsonaro as the president of Brazil in late 2018 shows a new era of developmentalism in the country. Bolsonaro carries out a pro-development and pro-destruction policy agenda which seek to capitalize the country's natural resources at the cost of deforestation and human rights violations. The aim of this research is to highlight the economic features and impact of authoritarian neoliberalism. This research found that, based on the case of Brazil under Bolsonaro's presidency throughout 2019 to 2021, Authoritarian neoliberal development strategy provides economic accelerating policies. With its pro-market orientation, Bolsonaro promotes privatization and policies that are sound to businesses to flourish, such as easing tax system.

ACKNOWLEDGEMENT

I would like to thank Professor Andrew Xiang Li for his support as the supervisor of this thesis. I would also like to thank Berk Atalay İç who has been by my side since 2019, encouraged me to pursue Masters in Europe and supported me endlessly to this day. Lastly, my greatest appreciation is to my parents, Linda and Wahyu Siswanto, may God give the greatest blessings to you both.

LIST OF ABBREVIATIONS

C

Conselho Nacional do Meio Ambiente/National Council for the Environment (CONAMA)
Corona Virus Disease (COVID-19)

E

European Union (EU)

F

Foreign Direct Investment (FDI)

I

Instituto Brasileiro do Meio Ambiente/Brazilian Insitute of Environment and Renewable Energy (IBAMA)

Institute Chico Mendes for Biodiversity (ICMBio)

Instituto Nacional de Pesquisas Espaciais/National Institute for Space Research (INPE)

M

Ministério da Agricultura, Pecuária e Abastecimento/ Ministry of Agriculture (MAPA)

Ministério do Meio Ambiente/Ministry of Environment (MMA)

N

Non-Governmental Organizations (NGOs)

G

Gross Domestic Product (GDP)

U

United Kingdom (UK)

United States (US)

LIST OF TABLES

Figure I: Gross Domestic Product Growth Rate, Brazil (2017-2021)

Figure II: Gross Domestic Product per Capita, Brazil (2017-2021)

Figure III: Unemployment Rate, Brazil (2017-2022)

Figure IV: Foreign Direct Investment, Net Inflows, Brazil (2017-2020)

Figure V: Foreign Direct Investment, Net Inflows, Brazil (2010-2020)

TABLE OF CONTENT

Abstract	I
Acknowledgement	II
List of Abbreviations	III
List of Tables	IV
Table of Content	V
I. Introduction	1
II. Literature Review	3
III. Theoretical Framework	6
IV. Methodology	8
V. Case Study: Brazil Authoritarian Upbringing in Brazil's Neoliberalist Transformation	9
V.I Policy Review	12
V.I.I Environmental Deregulation	12
V.I.II Privatization	17
V.I.III Pension Reform and Tax Cuts	20
V.II Analysis	22
V.II.I Economic Overview	23
V.II.II Social Consequence	27
V.III Challenges to Bolsonaro – Predictions	30
VI. Conclusion	32
Bibliography	34

I. Introduction

Authoritarian regimes are rapidly gaining popularity. A new phase of neoliberalism has emerged following the Global Financial Crisis in 2008, termed as "authoritarian neoliberalism", it features efforts of economic advancement and augmentation of government roles in repression and exclusion within the society (Saad-Filho, 2020). Specifically, this concept reflects how contemporary capitalism reinforces and relies on techniques that aim to marginalize and regulate nonconformist social groups and opposing politics rather than to seek their support. There are various characteristics of authoritarian neoliberalism, including the use of market or economic needs to justify structural change. Second, focusing on constitutional and legal mechanisms rather than democratic involvement. Third, a form of centralization, and fourth, mobilizing apparatuses to safeguard neoliberal practices (Bruff and Tansel 2018).

Authoritarian neoliberal leaders have risen to prominence throughout the globe, from Donald Trump in the United States to Viktor Orbán in Hungary and Jair Bolsonaro in Brazil. These countries all have different histories and histories that led them to elect populist neoliberal "strongmen," but they share the same political-economic trajectory characterized by significant neoliberal reform failures to address deepening challenges of poverty, unemployment, and socioeconomic inequality. They have captured rising trends in the global economy which include promises of economic advancement through heavily induced reindustrialization, infrastructure construction, and promotion of productivism (Arsel, Adaman and Saad-Filho 2021). Thus, the aim of this research is to feature the economic strategy of authoritarian neoliberalism and answer the following question "how does authoritarian neoliberalist development affect economic growth?", to this I also add "what are the direct economic impact of this strategy as well as the social consequences that it carries?"

This type neoliberalist transformation has taken a radical turn that essentially undermines liberal and democratic values. These commitments seemed to contradict one of neoliberal core tenets, namely the teleological confidence in capitalist ability to self-regulate. Additionally, it has shown significant limitations on the ability of its adversaries to build a coherent alternative political agenda while authoritarian neoliberalism retains power. Brexit in the United Kingdom and Trump's "America First" policies demonstrate that, although neoliberalism's economic logic has strengthened, its political form remained fluid, proving that these trends are not limited to occur in developing countries. Neoliberalism has recently abandoned its commitment to individual rights in favor of a strong commitment to authoritarianism disguised as developmentalism. Brazil, Egypt, Turkey, the Philippines, Hungary, India, and the United States (US) have all shown the authoritarian alternative characteristics on neoliberal growth. Authoritarian neoliberalist patterns in both developed and developing countries share a striking set of characteristics mentioned above, emphasizing their superficial developmental goals of expanding production activities, extractivism, and megaprojects as means of resolving socioeconomic problems while ignoring the rights of marginalized communities and environmental protection.

At the time of writing this paper, Brazil is one of the frequently used examples of authoritarian neoliberalism in recent literature. The winning of Jair Bolsonaro as the president of Brazil in late 2018 shows a new era of developmentalism in the country. Bolsonaro carries out a pro-development and pro-destruction policy agenda which seek to capitalize the country's natural resources at the utmost level. When the Amazon burnt down in August 2019, not one would have predicted how far Bolsonaro would destroy the 'lungs of the planet' in the name of development. These fires were done to clear land for soy farming, as demand for the commodity pushes producers farther into the rainforest and into protected indigenous territory,

one of which were the Wawi's land (Ionova, 2021). Other than pushing soy production, Bolsonaro also seeks to expand the mining activities in the Amazon – as he published an order to establish the Artisanal Mining Development Program (Pró-Mape) earlier this year (2022). To facilitate his extractives development agenda, Bolsonaro's government has been introducing new environmental deregulations which allows for legal forest clearances – fires. His controversial policies have been defended by the aim to stimulate investment, production, and generation of jobs for the goods of Brazil.

Many news articles and research papers criticize this aggressive strategy – highlighting the environmental damage in the midst of climate crisis as well as the abuse of indigenous rights. Nonetheless, there has not been any effort on the other side of the coin to analyze the economic impact of Bolsonaro's authoritarian development path. My research paper seeks to look at the economic fortunes that Bolsonaro's policy may or may have not brought to the betterment of Brazil.

II. Literature Review

Ian Bruff (2014) is one of the first scholars to define 'authoritarian neoliberalism' and apply it as a theoretical framework to understand the 'strongman' leadership trend in the global economy since 2008. While many scholars have discussed these trends and their relationship to populism, he is one of the first to define 'authoritarian neoliberalism' as a model through which to understand the post-2008 global trend toward 'strongman' leadership.

Reijersen (2021) argues that authoritarian populism and authoritarian neoliberalism are the result of a neoliberal crisis. Economic and political crises lead people toward an authoritarian remedy as they seek for political change. Populist parties appeal to those looking for powerful, charismatic leaders. These leaders, on the other hand, often adopt authoritarian neoliberal policies that serve to strengthen existing institutions rather than to provide new ones.

By diminishing the social, economic, political, and ecological reproduction of neoliberalism, these crises devour their own liberal tenets. Reijersen proposes that this logic explains the deepening of Brazilian political and economic crises during Lula's presidency give rise to Bolsonaro with his increased extractivism, democratization, and environmental deregulation.

Bogliolo (2019) puts forward the authoritarian neoliberalist turn of Brazil by addressing its historical and political context. Highlighting Brazil's role in the global development of capitalist economy as commodity frontier, and how it is built upon the making of commercial enterprise on the annihilation of indigenous people and land. Its socio-political history is what Bogliolo believes to be the foundation of authoritarian developmentalism reflected in Bolsonaro's current policies. He contends that international law was crucial in disciplining the Brazilian state, drawing a connection between the political change from military dictatorship to democracy and the economic move to neoliberalism. This entanglement resulted in a paradoxical neoliberal democracy, which has been strained by the economic crisis and the emergence of the extreme right. Second, he also argues that judicialization of politics and corruption were critical factors in the development of Bolsonaro and liberal authoritarian legalism.

Menezes and Barbosa (2021) on the other hand focuses on the authoritarian environmental governance of Bolsonaro's regime. They argue that Bolsonaro uses strategy to diminish the legitimacy, agency, and voices of various marginalized – indigenous communities, as well as non-governmental organizations (NGOs), scientists, and other environmentalists. These attempts are significant component of centralizing environmental governance in Brazil's federal government via authoritarian policies that limit participation in decision-making spaces. In her interview-based research, Deutsch (2021) was introduced to the term Bolsonaro's Firehouse effect by an interviewee. The term reflects to Bolsonaro's

‘erratic’ strategy in politics. The premise is that where numerous ‘fires’ are set and draw ‘fire fighters’ out, the firehouse becomes empty and the fire fighters are stranded in chaos, a situation that reveals governments saying unnecessarily ridiculous things when they want to attract people’s attention to cover for the important changes they seek to hide from the public. A strategy that is commonly seen used by Trump when he was still a president. There are a number of times in his remarks that contradict with his actions; for example, he has consistently emphasized his desire to protect the Amazon rainforest while simultaneously weakening environmental bodies and protections. At the same time, the country is witnessing the highest rate of deforestation in over a decade (Deutsch, 2021)

Moreover, several scholars have attempted to analyze the pattern of authoritarian neoliberalism around the world. In his recent paper, Wright (2019) puts the focus on America’s neoliberal protectionism to demonstrate how Trump’s trade policy (2017-2021) was a return to neoliberal practices of the past. By employing protectionist practices, the US seeks to force other nations to follow market-based logic, and by using threats of protection as a means of imposing market-driven norms on other nations. It has been evident in Trump’s trade war with China, allegedly aimed at bolstering the global economic order by countering China’s industrial policies. In parallel, Johnson’s protectionism is motivated by the need to ease United Kingdom (UK) trade restrictions (rather than imposing such restrictions on other countries). According to Bell (2019), Johnson and other neoliberal leaders favored leaving the European Union (EU) because they believed it restricted free enterprise and was thereby impairing economic growth. Despite their differences in strategy, Johnson and Trump are basically looking to achieve the same end result as Bolsonaro, removing obstacles to capital accumulation or neoliberal practices (Deutsch 2021).

Previous literatures have tried to conceptualize Brazilian current politics under

authoritarian neoliberalism domain, while trying to understand its emergence (Reijersen 2021; Bogliolo 2019). Some have also tried to highlight the importance of prioritizing indigenous community, environmental protection (Hope 2019; Menezes and Barbosa 2021) and upholding democracy in Brazil (Mello 2021). To further the discussion of authoritarian neoliberalism, my paper seeks to offer another feature that have yet to be dive in by previous literatures; aggregate economic impact that authoritarian neoliberalist development has brought – in the case of Brazil.

III. Theoretical Framework

Saad-Filho (2020) describes Authoritarian Neoliberalism as the "third phase" of neoliberalism. After the 'transition' first phase, from previous Keynesian economics, socialist state, and so on to the introduction of new neoliberal institutional framework, transnational integration of domestic capital and finance, comes the second phase of international integration via financialization and new neoliberal democracy was entrenched (Saad-Filho 2020). The new neoliberal orientation that was developed and its policies that were implemented triumphed over the loss of the 'left'. Liberal values were the only viable option at the time, and neoliberalist economic policy was left unquestioned without legitimate opposition. The neoliberalist restructuring of the economy and society carried out some detrimental social consequences. Saad-Filho argues that the institutionalization of neoliberal democracy is paradoxical in a way that it has undermined the very foundations of democracy. Class-based collectives were no longer recognized and that the financially weak were classified as the 'losers' (Saad-Filho 2020). Financialization and neoliberal economic and social policies lost some of their legitimacy in the wake of the global financial crisis of 2008. This led to the third phase of neoliberalism which was characterized by the need to restore the lost caused by the financial crisis. At the same time, it has lost its legitimacy with the growing perception that

neoliberalism had concentrated unequal income and wealth, established unpopular forms of employment, and failed to bring substantial and sustained accumulation (Saad-Filho 2020).

This condition then gives birth authoritarian leaders and a new generation of far right groups. To get support among those who have been disadvantaged by the current system, the leaders of these movements present themselves as strong, appealing, talking 'honestly', and claiming the ability to 'get things done' (Saad-Filho 2020). While these leaders openly fight against the consequences of neoliberalism, they undertake programs that expand neoliberalism under the guise of nationalism or development. As a result, authoritarian neoliberal regimes become inherently unstable, possibly leading to a politics of perpetual crises that allows the extreme right to flourish. These leaders are devoted to neoliberalism and personal gain. With their support for globalization and financialization, they increase the power of the neoliberal elites while dismantling democracy (Saad-Filho 2020).

Reconstruction of law and order, increasing technocracy, revamped bureaucracy, and forms of "choiceless" democracy are some of the authoritarian state practices that neoliberalism relies on in authoritarian nations attempting to turn themselves into neoliberal states. Neoliberal champions of authoritarian rule indulged themselves in the assumption that economic liberalization would lead to economic development and change. Nonetheless, top-down and undemocratic liberalization tend to result in inconsistent development, volatility while offering no significant shift in the economy (Graham 2018).

This research found that, based on the case of Brazil under Bolsonaro's presidency throughout 2019 to 2021, Authoritarian neoliberal development strategy provides economic accelerating policies. With its pro-market orientation, Bolsonaro promotes privatization and

policies that are sound to businesses to flourish, such as easing tax system. Nonetheless, due to its provocative measures on environmental deregulation, it is necessary for Brazil to re-think its extractives industry policies. This is because trade partners, such as the EU, may impose sanctions as a result of the rising incidence of deforestation and breaches of human rights that are validated by the new regulations.

IV. Methodology

This research utilizes a qualitative case study approach to analyze the economic impact of authoritarian neoliberalist development, with Brazil under Bolsonaro's Regime as the subject. A qualitative single case study research design and technique allows this study to compliment social science research while provide rich data for in-depth analysis and comprehension of the topic in its real life context. Qualitative research is better suited in this case than quantitative research given the new and unfamiliar nature of authoritarian neoliberalism pattern. This allows the researcher to explore more features and characteristic of authoritarian neoliberalism that would perhaps be overlooked in quantitative method. With this design, this research seeks to highlight the history of Brazil's economic development and its legacy on the country's current sociopolitical and economic landscape.

This research collects data from a variety of secondary sources and qualitative data; scientific papers, working papers, and news articles from the databases such as Science Direct, Elsevier, Cambridge Journals, and Google Scholars to understand the rising trend of authoritarian neoliberalism in the global context and in Brazil, the current sociopolitical economy environment of Brazil, as well as Brazil's relevant historical influence to its present-day politics.

To analyze the effectiveness of Bolsonaro's economic policies and its direct impact to the economy, this research will look at variables of Gross Domestic Product (GDP), employment rate, and Foreign Direct Investment (FDI) income in the period of Bolsonaro's three years' presidency (2019-2021). GDP quantifies the value of a country's final products and services, excluding the value of intermediate commodities and services used in their production. GDP changes are the most often used indicator of a country's economic health. In addition to GDP, looking at the employment rate allows this study to analyze the direct and private impact of Bolsonaro's economic policies to Brazilian citizens. FDI income, on the other hand, allows this study to look whether Bolsonaro's radical environmental deregulation and the opening of Amazon for extractive industries receive the foreign investment it seeks to attract.

V. Case Study: Brazil Authoritarian Upbringing in Brazil's Neoliberalist Transformation

While Bolsonaro's rise to power might come as a surprise to many, his election is consistent with the general trend towards populist authoritarian neoliberalism occurring across the globe in recent years. Following the 2008 economic crisis, this trend has expanded in response to failures of neoliberal reforms in addressing problems of increasing inequality, rapid unemployment, and poverty growth.

Over the years, Brazil has gained recognition for its efforts to combat climate change as well as its vast species preservation. A combination of measures including stricter legislation, law enforcement, and monitoring and surveillance was necessary to prevent illegal logging and promote reforestation in Brazil. This led to a reduction of the country's

deforestation rate by around 80% between 2005 and 2012, among other environmental achievements (Deutsch 2021). In the meantime, these policies have been criticized for being unduly restrictive in terms of land use rules limiting Brazil's agricultural outputs. During this time, agricultural companies with outstanding bills are among those set to suffer from these policies. Several of the measures include suspending funds or subsidies from business with substantial environmental until their debts were paid off, illegal deforestation-prone municipalities received more attention from the government while protected areas were increased (Deutsch, 2021).

Despite the 2012 changes to Brazil's Forest Code easing many of the restrictions on extractive practices and land use in Brazilian forests, several politicians claim that the environmental regulations persisted to prevent the country from achieving its potentials and thus contributing largely to the economic crisis. Some of these include Bolsonaro, who claims the environmental regulations in Brazil strangles economic growth and blames it on environmental politics for creating unfriendly business environments and impeding development. Known as the pro-business ex-military officer, Bolsonaro is also famous for making controversial remarks towards marginalized groups with a style of misogynist, racist, and homophobic accent.

The beginning of Bolsonaro's rise to power

In the last decade, the people of Brazil has been witnessing a political turbulent with a decline of Workers' Party popularity. Beginning with the judicial-parliamentary overthrow of Dilma Rousseff in 2016 and the arrest of Lula da Silva two years following the event. Despite being one of Brazil's most beloved presidents, Lula, a founding member of the Workers' Party, was charged with allegations of corruption in April 2018 (Deutsch, 2021). During these times,

the success of Brazil's economy was closely linked to Lula's progressive post-neoliberal policies thanks to the series of new development projects based on large scale extraction of raw materials. Through the Bolsa Familia Program, he carried out some progressive social policies that contributed to the commodity boom and some socio-economic leverage in Brazil, such as the introduction of minimum income, increased access to education, and increased household purchasing power (Reijersen 2021). Nonetheless, as a result of large-scale extraction, trade, and distribution of natural resources, Latin American development has been characterized by some increase of social inequality, distributive failure, and environmental degradation. Bolsonaro emerged as a reactionary authoritarian neoliberal movement after the left-wing movement in Brazil failed to confront and change neoliberalism's root problems, along with the global recession that hit Brazil in 2014. Reijersen (2021) argues that the root cause of the economic crises leads back to the distributive failure, where political instability failed to deliver fair gains to the population.

Meanwhile, the country continues to suffer from economic turmoil causing a great public distress as well as distrust towards the political leaders. Seeing diamond in the rough, Bolsonaro navigated through the corruption scandals and economic crisis as an opportunity to gain political status by running a polarizing campaign based on controversial environmental hostility. During his presidential campaign, he attracted public attention by pledging for actions to combat corruption and perceived dangers to Brazil's national economy. Contrary to the left-wing, Bolsonaro channeled the 'common' citizen's economic distress into an internal and external racist and 'ideological' agenda. Bolsonaro's quotes and speeches are unpacked further with regard to denial and the discrimination of indigenous population. Bolsonaro also utilize conservative values as his campaign strategy such as family traditions and Christianity. His campaigns were a direct attack to opponents of economic development, capital accumulation, these include indigenous community who inhabit the Amazon, marginalized groups as well as

environmental and social activists and scientists who back their views. Throughout his campaign, he pledged to revise the environmental regulations in a way that it is favorable to economic development and extractive businesses

In line with his campaign promises, Bolsonaro dismantled national environmental institutions and structures as soon as he came to power in January 2019. He sided with Brazil's commercial agribusiness and associated interest groups in making the claim that Brazil's economic failures were caused, among other things, by sustainable environmental policies (Deutsch 2021). His early presidential actions managed to surprise many with more radical extractivism than what Brazilians have witnessed before under Lula.

V.I Policy Review

In this section, three main policy changes involved in Bolsonaro's development strategy is discussed, which include, environmental deregulation, privatization efforts, and tax reforms.

V.I.I Environmental Deregulation

From shrinking environmental administrative bodies, dissolving National Council for the Environment (CONAMA), reorganizing within ministries, cutting budgets to NGOs and public universities, and implementing exceptional environmental measures in times of crisis (Deutsch, 2021), Bolsonaro seek to customize Brazil's environmental policy to suit business developments. In this part, measures of environmental deregulation are discussed, including, the crack-down environmental bodies, promotion of less environmental protection, and militarization of the forests.

I. Cracking down Environmental Bodies

In the beginning, Bolsonaro was faced with criticism from both the opposition and his own voters, who believed it was a horrible idea to merge the Ministry of Environment (MMA) with Ministry of Agriculture (MAPA). There was a fear that the global market,

which has been pushed by fair trade campaigns for beef and soy, would lose its interest and competitive advantage towards Brazilian businesses if they do not possess at least the appearance of environmental care. Thus, Bolsonaro decided to keep the MMA, with a side strategy of appointing Ricardo Salles as head of the ministry. Salles, a former director of a state environmental agency in So Paulo who was convicted of modifying an environmental protection plan to assist the extractive sector, immediately got to work transforming the MMA to support extractivist businesses. To ease their access in extracting the forests, both Bolsonaro and Salles overthrew two government agencies responsible for preventing deforestation, as well as two additional agencies that strive to prevent it, such as the Brazilian Forests Service and the Rural Environmental Registry (Deutsch 2021).

The Bolsonaro administration has also been working hard at cutting the funding to some government environmental bodies, especially Institute Chico Mendes for Biodiversity (ICMBio) and Brazilian Institute of Environment and Renewable Energy (IBAMA), both under the Ministry of Environment. IBAMA's funding was reduced by 24%. On the other hand, an incredible decrease in spending occurred in the Ministry of Environment, where there was roughly a 95% decline, specifically, from USD 8.4 million for policy planning and management spent in the first eight months of 2018 to just USD 402 thousand for the same period after Bolsonaro took office in the following year (Girardi 2019, Deutsch 2021). It is certainly interesting to see where does Bolsonaro reallocate these government funds. Based on Deutsch (2021) interview, she found that although there has been discussion on reorganizing the ICMBio as well as some overturn of their departments, the plans and budget for 2019 were not communicated well enough to the employees. Hence, there was a great limit and thus, delay to their activities and project. Leaving the employees helpless and clueless. Deutsch (2021) also highlighted that the uncertainty concerning environmental bodies restructuring has caused low productivity in the body, as mentioned,

a lot of the projects got halted while employees wonder whether they could still keep their jobs.

In her interviews, Deutsch also found that there has been a ‘silencing’ of the Ministry of Environment employees. Understandably, the 95% decline in spending reflects how their day-to-day tasks and responsibilities were halted. As Deutsch interviewed some of the MMA employees, they admitted that many of their colleagues who expressed disagreement with the administration's decision were either dismissed or removed from their posts, offered lower positions, or relocated to some of the remote areas in the country. Others lamented the fact that Bolsonaro has ‘closed’ their mouth and they are not able to express their concerns about anything, a testimony by ICMBio staff as interviewed by Deutsch (2021). In addition, there has been some media censorship, specifically about the environmental policy changes, preventing them from posting or publicizing anything about the work in MMA, including its conservation achievements (Deutsch 2021).

II. Reduction of Environmental Protection

Bolsonaro’s effort to dismiss environmental administrative bodies has effectively undermined the production of new protection measures and enforcement of existing ones. Some government employees noted that the MMA was still 24% below its budget in October, while 6 out of 27 managing – supervisory roles remained vacant at the Institute of Environmental and Renewable Energy (Deutsch 2021). For the same period in 2018, fines for illegal logging decreased by 29.4% compared with the first eight months of 2019. Unfortunately, the decrease in fines was not supported by the decrease in illegal activities, as the rate of deforestation actually increased by 30% in the time frame between August 2018 to July 2019, in comparison to the year prior.

Meanwhile, Bolsonaro's attempt to 'customize' the environmental bodies continue. In ICMBio, for instance, the hiring managers were not required to use specific selection criteria for technical expertise and experience as part of the hiring process. Based on her sources, Deutsch (2021) was told that Bolsonaro sought to employ more military personnel in the environmental bodies, as he urged them to apply. Though some of these personnel may have worked in the environmental division of the military before, they are incomparable to the scientists who specifically have expertise on the subject. Needless to say, this is Bolsonaro's strategy to have control over the environmental agencies by employing agents that he knows will follow his rules and that he can count on. As mentioned by one of Deutsch's sources in ICMBio, these environmental military police give no questions in taking orders from their superiors. Due to the accumulation of structural changes involving newly employed military personnel, the Ministry of Environment and other environmental institutions are witnessing an ineffective and confusing period for everybody involved. Deutsch highlighted the government employees who testify that the personnel make decisions based on orders instead of their scientific expertise. It is safe to say that ever since Bolsonaro took power, environmental agencies have lost their neutrality on how to govern Brazilian lands. In this sense, Bolsonaro has tried to ensure that MMA will always back up him and his business affiliates. Especially, concerning the authorization of new extractive lands for soy and other farming, which would have been difficult to acquire.

III. Operation Green Brazil: Strategy in Disguise?

We've learned that Bolsonaro's administration has utilized military deployment to advance its political cause. Over the past two years, Bolsonaro has appointed military men and women to fill posts in the government, at state-owned companies, as well as in

guarding the amazon forests. In summer 2019, the world witnessed it's so-called 'lungs of the earth' burned down, caused by the arsonists and loggers who take advantage of the dry season of the Amazon Basin. These actors would clear out the lands for farming. As an immediate response to the fire, Bolsonaro launched Operation Green Brazil, which dispatched Air Force C-130 jets to spray water and flame retardant over the blazing forests. The militarization of the Brazilian Amazon is neither new nor revolutionary - there have been multiple Brazilian governments that have set up military forces in the biome both to prevent enemy infiltration and to allow for extractive industries (Deutsch 2021). During times of crisis, however, forest protection has become an excuse for increasing militarization of the Amazon. Upon the raging Amazon fires in 2019, Bolsonaro sent army forces to battle the fire blazes and occupied the forests until October. In the following year, Bolsonaro established a new Amazon Council designed to protect the land. Nonetheless, Bolsonaro picked Hamilton Mauro, a former military commander, as the head of the council. Mauro is known as someone who publicly advocates for mining industry in the Amazon. The Council gave the army responsibility for the conservation of the Amazon. Furthermore, this Council also declared the extension of military deployment in the forest, which allowed the forces to remain there till April 2021. Bolsonaro's effort to militarize environmental governance, while placing business-supportive personnel greatly shows how he tries to gain larger control over the Amazon. This condition will allow Bolsonaro and his circle to secure their business in the Amazon.

As known, many of Bolsonaro supporters are extractives business owners. Such practices are commonly found in resource-rich countries, take Indonesia for example. Business owners often try to get their way through resourceful lands with the help of politicians, police generals and military generals. Their main opponents are local inhabitants who would refuse to sell their lands. Usually these areas are conflict-prone and could result to

bloody clashes between business mafia and the locals. As the saying goes, *the law favors the rich*. Unfortunately, in Indonesia, corrupt politician and generals would often side with the business owners, which allows for their agribusiness to be guarded by military personnel. These days, the fight is no longer between mafia and locals, instead, between personnel and local communities. In the case of Brazil, news articles have also reported that the ‘expansion’ of mining industry or soy farming in the Amazon is protected by the armed forces (Dias 2019).

An unpublished document obtained by The Intercept describes the military's plans for a push into the Amazonian interior known as the Baron of Rio Branco (Dias 2019). This project envisions a large-scale development plan intended to increase Amazonian economic contributions to Brazil. Projects within this framework include the exploration of natural resources; the construction of large dams, highways, and bridges; and the appeal to non-Indigenous migrants to settle the sparsely populated Brazilian hinterlands (Dias 2019). The projects were nonetheless harmful to the Amazon, would disrupt local communities, and would create waves of secondary deforestation. The Intercept calls the project as the ‘*old military dream to colonize the Amazon*’ in disguise of developmental goals and protection Brazil’s northern border (Dias 2019).

V.I.II Privatization

Bolsonaro's campaign promise of privatizing nearly 100 firms is yet another attempt to boost Brazil's economy. As part of his 2018 campaign, Bolsonaro claimed that state-owned firms weren't profitable and that previous governments had used them to benefit political allies. In order to shift the pathway, Bolsonaro prioritize on a privatization agenda, together with his Economy Minister, Paulo Guedes. For the privatization of federal state-owned companies,

Guedes has made clear his desire to implement an ambitious privatization program in the early period of Bolsonaro's administration. Reports from KPMG show Brazil's federal government owned 134 companies in 2019 - the majority of which could not cover their operating costs and generated annual expenses of 3.8 billion US dollars (Endo 2019). Bolsonaro's administration is therefore focused on maintaining state-owned companies that provide public services, while privatizing those that attract investors and closing those without any prospect of reviving. Through the Secretariat for Privatization and Disinvestment, the Ministry of Economy is now implementing a privatization program and improving the management of existing public assets. The Secretariat intends to generate more than USD 25 billion via the sale of state-owned businesses (Endo 2019). Telebras, Brazil's postal service and telecom firm, as well as real estate assets, are among the companies that will be privatized by the country's new administration. In addition, the government intends to sell non-core assets from Petrobras and the main state banks, such as Caixa Econômica Federal and BNDES, as well as subsidiaries of these institutions. Bolsonaro's administration has a primary goal of increasing overall infrastructure spending through partnering with or privatizing infrastructure projects. It is expected that by 2022, the government would spend around USD 65 billion per year on infrastructure (Endo 2019).

The government expect that the investment will generate from international investors, and the government is seeking to attract foreign investment in a manner that sets the country on a new economic path. It was revealed by Bolsonaro's infrastructure minister, Tarcísio Gomes, in his inauguration speech that 69 infrastructure projects had been planned for the first year of the administration (Endo 2019). Those initiatives are a result of the previous government's Partnerships and Investment Program. All of this is covered by public-private partnerships and privatization efforts in the areas of electricity production, as well as logistic operations such as transportation and transmission of oil and gas businesses. Furthermore, there

has been a plan of concession of the airports - the Brazilian Airport Infrastructure Company (Infraero). The privatization proposal is expected to produce R\$ 8.5 billion in the transportation sector alone.

Up until now, only the largest Petrobras firms have been sold off to the public. Petroleo Brasileiro SA, as the company is officially known, sold its gasoline distribution subsidiary BR Distribuidora's original share in 2019. Petrobras sold its last 37.5% interest to Vibra Energia for more than 11.3 billion reais (USD 2 billion) in June of the same year (Pulice 2021). Moreover, Petrobras sold Liquigas, a unit of liquefied petroleum gas in December 2020, as well as Transportationadora Associada de Gas, part of the natural gas assets in July of that same year (Pulice 2021). In the most recent statement by Bolsonaro, the privatization of Petrobras, if successful, will take at least 4 years to finish. Furthermore, a privatization plan calls for Eletrobras as well. In the meantime, General Accounting Office delays stalled the sale process by postponing its analysis of a sale formula meant to dilute the state's stake by floating shares.

The approval for its sale process is expected to happen at the time of this thesis is written. Overall, under the Bolsonaro's administration, Minister Guedes has taken the lead in the government's efforts to privatize state assets, selling in excess of USD 23 billion in 2019 (MacDonald 2020). Bolsonaro's privatization policy could be viewed as a means of improving overall economic efficiency for Brazil. Selling state-owned companies to the private sector may reduce the fiscal load and the external national debt. Inherently, the government expects that this approach would boost both technological efficiency and investment, hence accelerating economic growth. Privatization gives incentive for healthy competition between the companies which is critical for productive business environment. Nonetheless, the benefit of privatization may only be acquired only if structural changes are implemented together. Methods of privatization are also significant since they provide the necessary incentives and

lead to the right economic restructuring. At the end, Brazil's commitment to legal and regulatory changes will determine the viability of privatization and whether or not it will stimulate the country's economy.

V.I.III Pension Reform and Tax Cuts

One of the main economic policy changes carried out by Bolsonaro are pension reform and tax cuts. Pension Reforms: The cost of pension provision is one of the biggest problems facing the Brazilian economy. Over 8% of Brazil's GDP goes to pension payments. One of the primary causes for the Brazilian economy's deficit has been attributed to these excessive payments. Nevertheless, this reform is one of the most contentious since it has an impact on the financial security of a large proportion of the elderly people. It was suggested by Brazilian authorities that if the pension reform was not adopted, Brazil would face a severe budgetary crisis, with rights and pensions being curtailed, as occurred in Greece and Portugal in 2010. Reforms of pensions have already been attempted in the past by the previous government but to no avail. Bolsonaro's controversial pension reform proposal seems to be earning him investors' trust as he makes his way towards rationalizing Brazil's massive spending. An amendment to Brazil's constitution reforming the social security pension system became effective 12 November 2019, about 8 months since Bolsonaro took office. According to the government, implementing this reform will reduce public spending on pensions by R\$ 800 billion over the next ten years (Coles 2020).

The pension reforms have mainly involved the implementation of a minimum retirement age, minimum contribution requirements and some small increases in contribution rates. Where previously no minimum age was applied, the current law would require men to be 65 while women 62 to retire. It was formerly possible for anyone to retire at any age if they

had worked for the Social Security system 35 or 30 years, for men and women respectively. Interestingly, the minimum contribution requirement was significantly reduced, men or women who entered the workforce after this amendment was introduced would only need to work at least 20 and 15 years, respectively, and fulfill the minimum age requirement to benefit from the new pension system in the future. This pension reform was claimed to be necessary to reduce public spending, and prevent the country from going into crisis in the future as deficit continues.

Lastly, Bolsonaro seeks to attract more investment and create more job opportunities for Brazilians by 'slashing taxes' and simplifying the tax structure (McGeever 2021). Taxation has been regarded as one of Brazil's most 'complex' problems, and the government has decided to simplify and lower the total tax burden in order to encourage long-term investment and economic development in Brazil. A lot of what he's proposing in terms of taxes is quite close to his American counterpart, Donald Trump (McGeever 2021). Bolsonaro wants to slash business and individual income taxes significantly. He expects a significant rise in business investment as a result of these tax cuts and tax code simplifications. Recently, Brazil has been troubled by a severe unemployment issue. Tax cuts, according to Bolsonaro, would result in the creation of millions of new jobs and are the ideal solution to the nation's persistent unemployment issue. More comprehensive tax reform proposed by Bolsonaro includes lowering income taxes for 30 million employees, reducing corporate profit tax, and raising taxes on financial market businesses and profits (McGeever 2021). The administration suggested a 20% dividend tax, with a monthly exemption of 20,000 reais, in a statement provided by the Economy Ministry.

The hike in dividend taxes, according to the Revenue Service, is expected to bring in an additional R\$ 18.5 billion this year, and an additional R\$ 54.9 billion by next year and an additional R\$ 58.2 billion by 2024 (McGeever 2021). After a meeting of the Brazilian Foreign

Trade Chamber earlier this year, Brazil's economics ministry authorized a tax decrease that covers 87 percent of the country's tariff items and would take effect between June 1 2022 and December 31, 2023, as reported by the Reuters. The plan calls for a progressive reduction in corporate profit taxes from 15% to 12.5%, and then to 10% by the end of the following year. Many developed to developing countries have tried to reform their tax system to be more simplistic and attractive to businesses, if performed correctly, tax cuts could bring accelerated economic improvement. A research by Mertens and Olea in 2018 discovered that even small reductions in interest rates had a positive impact on both GDP and unemployment. By the third year following the tax reform, a 1% reduction in the tax rate could raise real GDP by 0.78 percent, based on their findings on time series data from 1946 to 2012 in the United States (Mertens and Montiel Olea 2018). Another research also indicated that tax cuts had a favorable effect on economic growth two years after the reform. Tax cuts for low and moderate income taxpayers had a greater impact on economic growth than tax cuts for wealthy taxpayers, according to Zidar (2019). Based on the findings, it is assumable that the positive impact of Bolsonaro's tax reforms may only be visible in the long future.

V.II Analysis

This part discusses the impact of Bolsonaro's development strategy, from both the economic and social perspective. For the economic impact, this paper looks at three main indicators, GDP, unemployment rate, and FDI Income. Though the data are limited due to the thin time frame of Bolsonaro's presidency, I argued that Brazil has a strong economy and was able to recover from the crisis caused by the pandemic of Corona Virus Disease (COVID-19). Though the country has seen a decline both in GDP and employment in the year 2020, it was able to regain back to its pre-pandemic condition. On the social impact, however, Bolsonaro

has brought many attentions to its human rights violations, specially towards the indigenous community as their livelihoods are targeted by the environmental deregulations. Bolsonaro was widely condemned due to his controversial response towards the COVID-19.

V.II.I Economic Overview

GDP

Figure I: Gross Domestic Product Growth Rate, Brazil (2017-2021)

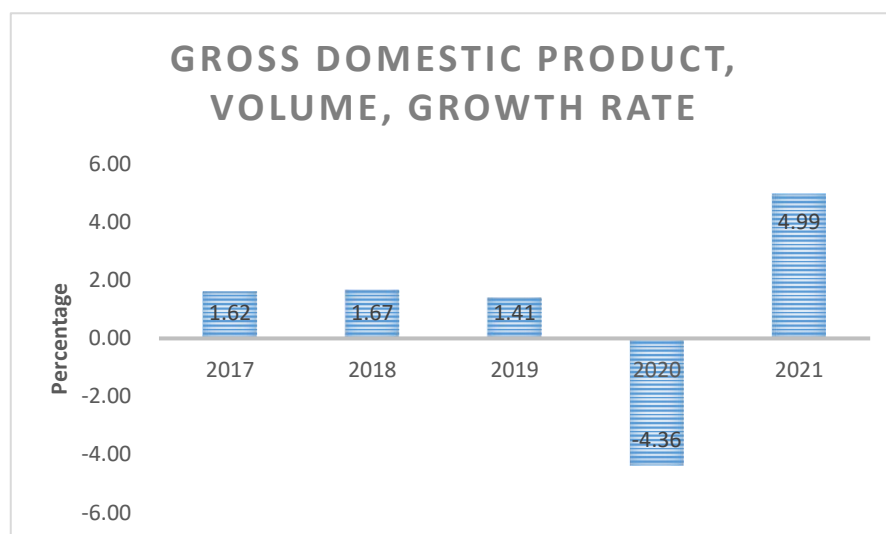


Figure I: Gross Domestic Product Growth Rate, Brazil Data Retrieved from: OECD.Stat

Figure II: Gross Domestic Product per Capita, Brazil (2017-2021)

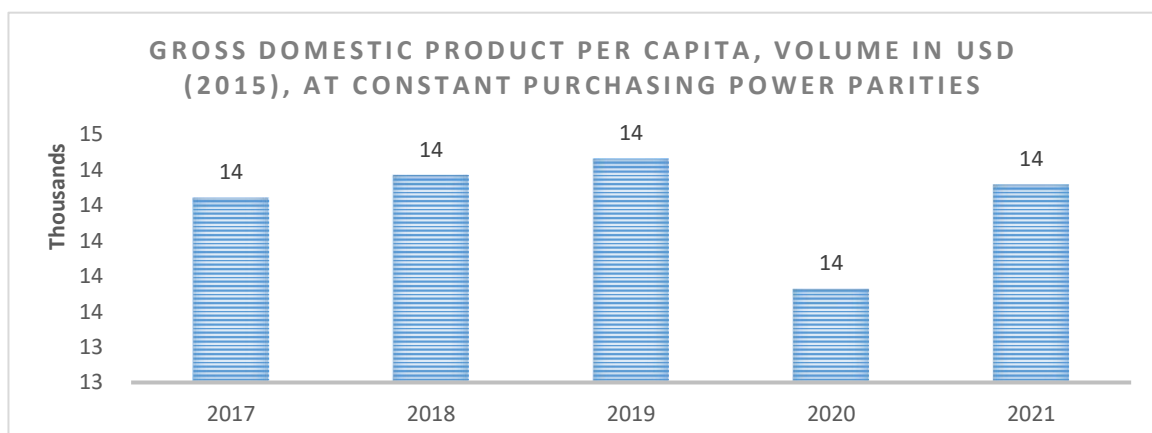


Figure II: Gross Domestic Product per Capita, Brazil Data Retrieved from: OECD.Stat

Over the year 2017 to 2019 Brazil saw a relatively gradual increase in Gross Domestic Product with a growth rate of 1.6% in both 2017 and 2018, and just about 1.4% in 2019 (see figure I). Compared to other developing countries in Asia and Oceania with an average growth rate of 5.3% in 2018, Brazil's growth rate is seen lower. However, Brazil has a higher growth rate compared to its developing countries of America counterparts, where they reached an average of 0.7% ("UNCTAD Handbook of Statistics 2019 - Economic Trends" 2019). Brazil's slow growth rate. Brazil's economy has been affected by a variety of factors, which has resulted in a decline in growth despite being one of the fastest-growing economies up to 2012. In 2014, the nation fell into a deep recession before starting a slow recovery. Moreover, the country is battling corruption especially prior to Bolsonaro's administration, which has hampered investment prospects and eroded investor trust, resulting in a slow GDP growth rate. In the meanwhile, low commodity prices and weak demand have been an issue, while the country has also grappled with high inflation and interest rates. As the pandemic started early in 2020, the effect it has brought to global economy was immense. International trade and the supply chain was heavily disrupted. While the services sector around the world was also disrupted, Brazil is especially hurt by the pandemic, due to the government's ignorant response towards the disease. The country's GDP fell by 4.3% in 2020 before recovering back to an increase of 4.9% in the year after (see figure I). In 2021, Brazil GDP per capita accounts for USD 14,3 thousands, reaching close to its GDP per capita prior to the pandemic in 2019 (see figure II).

Unemployment Rate

Figure III: Unemployment Rate, Brazil (2017-2022)

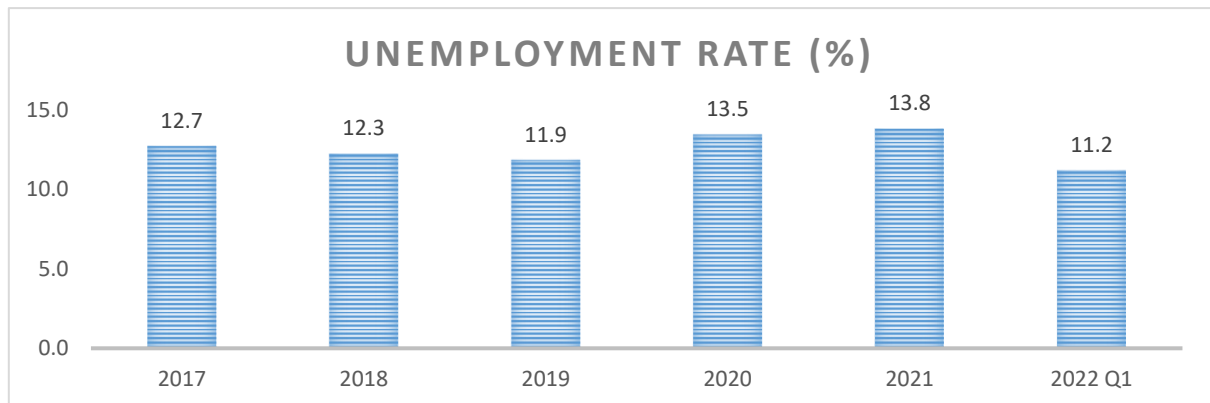


Figure III: Unemployment Rate, Brazil (2017-2022) Data retrieved from: OECD.Stat

Unemployment rate in Brazil has seen a slight decline up to 2019, with 12.7% in 2017, 12.3% in 2018, and 11.9% in 2019. However, during the pandemic, unemployment rate increased by 1.6% in 2020, reaching 13.5% unemployment rate. Another slight increase (0,3%) was seen in the year after, with 13.8% in 2021 (see figure III). As mentioned previously, the service sector was one of the hardest to be hit by the pandemic. Many businesses, especially tourism, had to stop their practices and many employees were laid-off. As travel restrictions and public activities were slowly recovering to pre-pandemic condition, the service sector began to slowly recover. From the latest data, Brazil's unemployment rate has since declined to 11.2% in the first quarter of 2022. The current unemployment rate is lower than before the pandemic in 2020. Consequently, this shows that although there was a slight disruption as everywhere else in the world, Brazil managed to slightly improve its employment rate.

Foreign Direct Investment

Figure IV: Foreign Direct Investment, Net Inflows, Brazil (2017-2020)

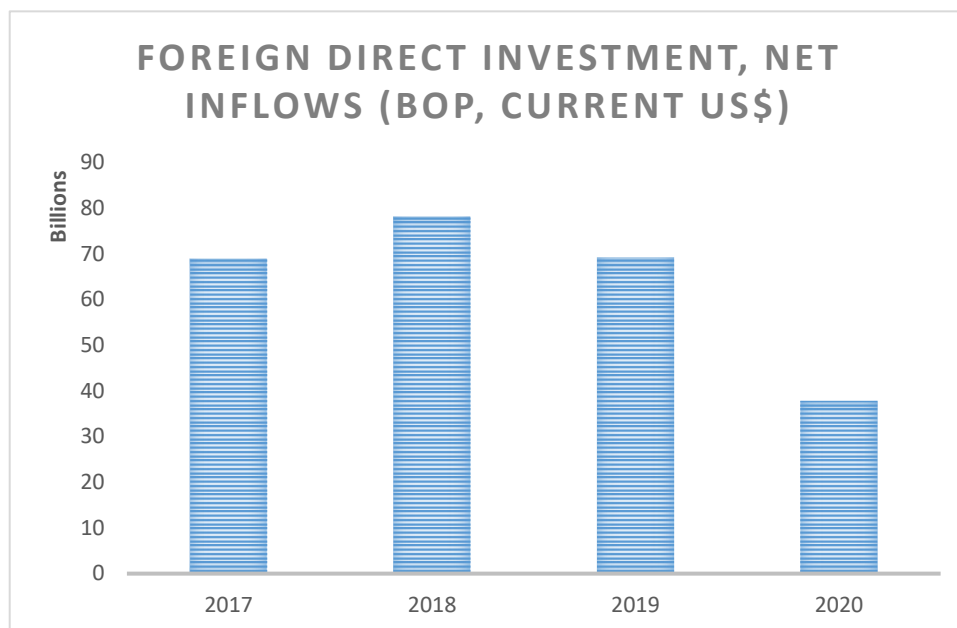


Figure IV: Foreign Direct Investment, Net Inflows, Brazil (2017-2020) Data retrieved from: data.worldbank.org

Figure V: Foreign Direct Investment, Net Inflows, Brazil (2010-2020)

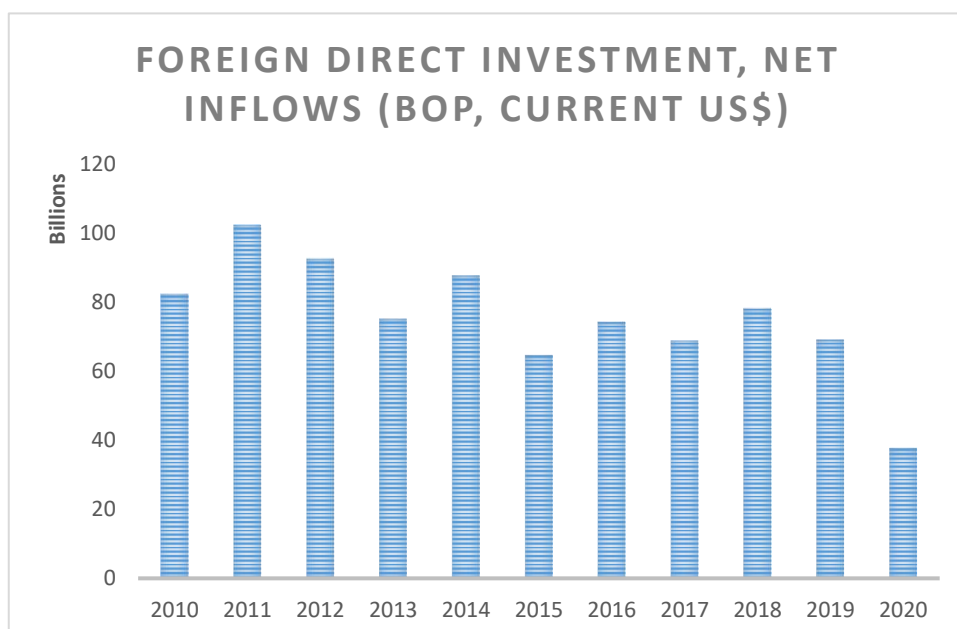


Figure V: Foreign Direct Investment, Net Inflows, Brazil (2010-2020) Data retrieved from: data.worldbank.org

Brazil has seen a fluctuating Foreign Direct Investment Inflows with a slight downward trend over the past ten years. Though reaching a peak in 2011, with over USD 100 billion FDI Net Inflows, the country has yet to attract the same amount of FDI to this day. FDI income was especially low in 2020, with almost a 50% decrease from USD 69 billions in 2019 to USD 37 billions in 2020 (see figure V) due to the pandemic. Bolsonaro's dream to attract as many foreign investments as possible is reasonable to develop Brazil's economy and business environment, especially since it has lost its reputation among investors due to political instability, public's loss of confidence in the ruling Worker's Party during both Lula and Rousseff, as well as corruption scandals. Through its promotion of extractive industries and tax cuts, Bolsonaro seeks to attract foreign investors to the country. Nonetheless, I argue that this effort could only be seen fruitful in the long-run, hence, it is difficult to see the direct impact within the time frame of his presidency.

V.II.II Social Consequence

As the Brazilian renowned populist leader, Bolsonaro started his presidency with a controversial tone. Beginning with a misogynist and homophobic campaign, the victory of Bolsonaro is what Aljazeera termed as '*the return of white, male, sexist and authoritarian politics in Brazil.*' (Assis and Ogando 2018). This part will discuss some of the social controversies that are brought by Bolsonaro and his administration during his presidency. According to Human Rights Watch, Bolsonaro had done several human rights violations, starting from unlawful deforestation in the Amazon and intimidation and violence against forest defenders are basically given the green light by reducing environmental law enforcement. Second, other than targeting the home of the Indigenous community for extractive industries, Bolsonaro has been known to condemn them as well as NGOs of

damaging the Amazon, though without a proven evidence. Third, Bolsonaro's response towards the COVID-19 Pandemic has also caught international attention due to his ignorant remarks. He is known to 'sabotage' and undermine public health efforts that were intended to halt the development of Covid-19 in Brazil.

Proposals to enable previously unlawful mining and hydroelectric dam building on Indigenous territory were made by Bolsonaro in February 2020. Violence against Indigenous peoples, including damage of property, has resulted from illicit mining in the Amazon, accounting for 1/10 of the region's deforestation. As illegal miners, loggers, and ranchers have become more aggressive since Bolsonaro took office, in 2019, there was a surge in crime and environmental destruction, while 2020 also set the record for land disputes in the country since 1985 (Ropper 2021). Brazil's deforestation rate has soared under Bolsonaro. Brazil's National Institute for Space Research (INPE) estimates that approximately 11,000 acres of Amazonian forest were lost in just one year between 2019 and 2021 (Pontes 2021). This accumulates to a 70% increase in deforestation per year during his presidency compared to the decade prior. Similarly, Indigenous communities have come under increased attack as miners appear emboldened by the president's support. A local community has been victimized by this, culminating in killings like those of Paulo Paulino Guajajara in 2019. Guajajara was one of several indigenous peoples known collectively as the "Guardians of the Forest," whose mission it is to defend forests from logging, mining, and other threats. In the northern state of Para, miners stormed and burned the offices of a rights organization for Mundurucu Wakoborun women on fire in March 2021.

In a nearby area, Indigenous chiefs in Yanomami land have testified to the fact that more than 20,000 gold-hunting invaders had ravaged an area bigger than 500 soccer fields. Furthermore, a couple of Yanomami minors drowned as they sought to escape an exceptionally violent clash with illegal miners in May last year, as reported by Pontes from Deutsche Welle

(2021). The Amnesty International study "1,000 days without rights: The violations of the Bolsonaro administration" has identified 32 government acts that manifestly lead to significant human rights abuses from the president's inauguration until September 26, 2021. Since these policies were put into place, millions of individuals have felt the effects of them both financially and physically. According to Amnesty International, 14 million individuals are jobless, making up 56% of the population who are food insecure and have little or no access to social assistance (Werneck and Rosa 2021). Most of those affected by hunger in Brazil are People of Color and Indigenous people, while women are typically left to care for their families on their own since the federal government doesn't provide any assistance to them.

In terms of the mishandling of the COVID-19 pandemic, last year, several civil society organizations, including Amnesty International, published a report demonstrating that the Brazilian government might have been averted 120,000 fatalities in the first year of the pandemic if it had taken the right public health measures to combat the virus (Werneck and Rosa 2021). Brazil's Attorney General, Augusto Aras, has been urged to investigate the Bolsonaro government's accountability. Since it has been operating in the Senate for the past five months, a Parliamentary Inquiry Commission has already revealed numerous issues that require the immediate attention of the attorney general, but the attorney general has not taken any action, according to Amnesty International (Werneck and Rosa 2021). Bolsonaro's obvious ignorance towards the virus has brought massive fatalities to his people. An article from King's College London's International Relations Professors, Alfredo Saad-Filho & Fernanda Feil (2021), whom have focused on the authoritarian neoliberalism subject have also taken a note on Bolsonaro's COVID-19 response. Earlier last year, Brazil has the highest number of daily fatalities from the disease on Earth. with a number of death toll reaching over four thousand people in April 8 2021. Health care has deteriorated in a number of American communities. As a result, oxygen is scarce, and ICU beds are already overflowing with

patients. In the absence of anaesthetics, patients have reportedly been tied up before being intubated. There have also been hundreds of deaths of patients who may have been saved if they had access to oxygen tubes (Saad-Filho and Feil 2021).

According to Saad-Filho and Feil (2021), the deep-root of inequality has become the main cause of chaos of COVID-19 response in the country. Especially, since it affected the marginalized community, especially with people of color and indigenous groups receiving the most unequal treatment. It is also important to note that, Brazil has been plagued with worsening political and institutional restrictions. There has been a huge rise in job insecurity, a decrease in social security, and a severe underfunding of public services caused by neoliberal reformation since the two administrations took office in 2016 (Saad-Filho and Feil 2021).

Furthermore, Bolsonaro have also been known to limit media freedom. According to the Human Right Watch, there have been more than 400 instances in the last year when President Bolsonaro, his supporters, and government officials have attacked the media. In August of 2020, the president made a controversial appearance such as threatening to punch a journalist in the face. Moreover, as a result of his followers' act of harassment towards journalists during protests outside the presidential palace, numerous media agencies had to suspend their coverage of the president in May last year. Bolsonaro's administration, too, has requested the Federal Police to investigate two journalists and a cartoonist who have attacked the president for allegedly defaming him in their work (Werneck and Rosa 2021).

V.III Challenges to Bolsonaro – Predictions

Bolsonaro began his presidency with a strong and confident outlook. His brave takes on environmental deregulation fairly promises a better economy for Brazil, by optimizing its extractive industries with its rich natural resources. Nonetheless, radical policy reforms were done at the cost of democracy. Brazil, yet again, has to be faced with the dilemma between

promotion of neoliberal economy and how it impacts the marginalized community. Now, this type of dilemma is especially evident in developing countries, an endless loop of inequality and modern economy made it difficult to pursue neoliberal path to development. As a pro-market, Bolsonaro chose to prioritize economic advancement through encouraging businesses. Nonetheless, opening the pathway for extractive businesses to flourish require heavy adjustments on the bureaucracy and structure of the Ministry of Environment. This also means that it has to be done at the cost of environmental protection and the livelihoods of indigenous people, while the Amazon is transformed into a profitable mining and farming land. Other than this dilemma, the main challenge to Bolsonaro's development strategy also comes from the pandemic. Just after one year of holding office, the pandemic began and impacting economies globally. From developed to developing countries, all have seen the impact that the pandemic has brought to its day-to-day business activities as efforts to curb the virus were necessary to be taken. Adding to his limited four-year term, the pandemic causes a halt to Bolsonaro's development strategy.

Moreover, due to his mishandling of the COVID-19 pandemic, a recent Atlas Institute study found that 61% of the public considers Bolsonaro's administration's performance to be negative. This is a dramatic increase from just 21% when he started office (Roper 2021). The people of Brazil will vote for a new president in October of this year. Current surveys show that former left-wing president and current front-runner Lula da Silva has an advantage over the public, especially since there are continuous public unrest all around the nation during Bolsonaro's presidency (Roper 2021). With Bolsonaro's radical policy reforms, the next president of Brazil will be left with the legacy of environmental deregulations and the highest deforestation rate in the last 15 years. Without reversing the damage on environment, Brazil is targeted to sanctions and trade barriers by other countries who are concerned with the environmental consequence of Brazilian produce, such as the European Union. The next

president should be able to anticipate these sanctions and promote principles of fair-trade and sustainable economy.

VI. Conclusion

Along with the growing popularity of authoritarian neoliberalist leaders around the world, the aim of this thesis is to highlight the development of such leader in Brazil, namely President Jair Bolsonaro. Bolsonaro rose to prominence as a far-right populist and conservative who was able to seized public's attention amid the Lula and Rousseff corruption scandal. As a former military officer, Bolsonaro won presidential election through the Social Liberal Party in late 2018, while beginning to hold office in early 2019. Authoritarian neoliberalist leaders around the world share a similar characteristic, mainly, supporting neoliberalist developments in defense of economic necessity at the stake of democracy. Bolsonaro has been seen to support neoliberal economic policy as a way for Brazil's economic advancement. However, his strategy of choice is criticized by many, due to its disregard against the environment, marginalized community, and democracy as a whole. Attracted by Bolsonaro's peculiarity, this research aims to look at how Bolsonaro's development strategy affected the economy. Given the limited time frame of Bolsonaro's presidency and available updated data, this research focuses on the characteristics of his policy strategy to achieve economic development. This research found that Bolsonaro has put out pro-market and pro-business policies, namely, environmental deregulation, privatization, tax cuts and pension reforms. Confirming to the authoritarian neoliberalist characteristics, Bolsonaro's pro-business policies were done with structural adjustments that overrule any opposition, such as placing military officers within the government's environmental bodies. Moreover, his policies have led to a shock increase in deforestation, reaching the highest rate over the past 15 years. Due to his pro-loggers policy

too, there has been an escalating criminal activities against indigenous people who inhabit the Amazon forest, leading to village raids and indigenous deaths. At the cost of democracy, Bolsonaro believed that this neoliberal strategy will improve the economic condition and livelihoods of the people in Brazil.

This thesis found that the economic outcome of Bolsonaro's development strategy was minimum to no significant improvement from the previous presidency. This is due to the pandemic causing disruption in economic growth, while his current presidency was limited to four-years. In the last two years of his term, he has been trying to recover Brazil from the post-pandemic crisis, and was proven to come back strong to pre-pandemic GDP per capita and lower unemployment rate. It should be taken into account that his pro-FDI policies may only come fruitful in the long-run, and thus, finding its short-term gain may be challenging.

As a representative case of authoritarian neoliberalism, Brazil's experience confirms that authoritarian neoliberalism has an impact on economic growth, although at the cost of democracy and environmental protection. The in-depth analysis of the Brazilian case serves as an illustration of the causal mechanism. As available and up-to-date data was limited at the time of writing, this thesis invites further research on the economic outcomes of authoritarian neoliberal growth in other countries, such as Hungary, Turkey, and the Philippines, utilizing Large-N research. Further studies are needed to examine the negative effects of authoritarian neoliberal growth in greater detail, once data has become available.

Bibliography:

Arsel, Murat, Fikret Adaman, and Alfredo Saad-Filho. 2021. "Authoritarian Developmentalism: The Latest Stage Of Neoliberalism?". *Geoforum* 124: 261-266. doi:10.1016/j.geoforum.2021.05.003.

Bell, Emma. 2019. "Brexit : Towards A Neoliberal Real Utopia ?". *Observatoire De La Société Britannique*, no. 24: 45-66. doi:10.4000/osb.3196.

Bogliolo, Luis. 2019. "Law, Neoliberal Authoritarianism, And The Brazilian Crisis". *Twailr.Com*. <https://twailr.com/wp-content/uploads/2019/08/Bogliolo-Law-Neoliberal-Authoritarianism-and-the-Brazilian-Crisis.pdf>.

Coles, Isabel. 2020. "Brazil: State Pension Reform - MBWL International". *MBWL International*. <https://mbwl-int.com/insights/brazil-state-pension-reform/>.

Deutsch, Sierra. 2021. "Populist Authoritarian Neoliberalism In Brazil: Making Sense Of Bolsonaro's Anti-Environment Agenda". *Journal Of Political Ecology* 28 (1). doi:10.2458/jpe.2994.

Dias, Tatiana. 2019. "Brazil'S Army Wanted To "Occupy" The Amazon Before. Leaked Audio Reveals Their Plan To Try Again.". *The Intercept*. <https://theintercept.com/2019/09/20/amazon-brazil-army-bolsonaro/>.

Endo, Mauricio. 2019. "Brazil's Infrastructure And Privatization Market Is Heating Up". *KPMG Insights*. <https://home.kpmg/xx/en/home/insights/2019/03/brazils-infrastructure-and-privatization-market-is-heating-up.html>.

Fearnside, Phillip M. 2022. "Brazil'S Amazon Gold Mining To Be "Stimulated" By Bolsonaro'S Decree (Commentary)". *Mongabay Environmental News*. <https://news.mongabay.com/2022/02/brazils-amazon-gold-mining-to-be-stimulated-by-bolsonaros-decree-commentary/>.

Reijersen, Mieke. 2019. "Brazil's Crises In Authoritarian Neoliberalism". Master of Science, Wageningen University.

Hope, Mat. 2019. "The Brazilian Development Agenda Driving Amazon Devastation". *The Lancet Planetary Health* 3 (10): 409-411. doi:10.1016/s2542-5196(19)30195-0.

Ionova, Ana. 2021. "As Soy Frenzy Grips Brazil, Deforestation Closes In On Indigenous Lands". *Mongabay Environmental News*. <https://news.mongabay.com/2021/07/as-soy-frenzy-grips-brazil-deforestation-closes-in-on-indigenous-lands/>.

MacDonald, Scott B. 2020. "Bolsonaro's First Year: Balancing The Economy And Cultural Wars". *Csis.Org*. <https://www.csis.org/analysis/bolsonaros-first-year-balancing-economy-and-cultural-wars>.

McGeever, Jamie. 2021. "Brazil Tax Reform Bill Proposes Tax Cuts For Individuals, Companies". *Reuters.Com*. <https://www.reuters.com/world/americas/brazil-tax-reform-cut-income-tax-30-million-workers-economy-minister-2021-06-25/>.

Mello, William. 2021. "Poverty And Politics: Bolsonaro, Neoliberalism'S Authoritarian Alternative, And The Ongoing Assault On Democracy In Brazil". *Nonsite.Org*. <https://nonsite.org/poverty-and-politics-bolsonaro-neoliberalisms-authoritarian-alternative-and-the-ongoing-assault-on-democracy-in-brazil/>.

Menezes, Roberto Goulart, and Ricardo Barbosa. 2021. "Environmental Governance Under Bolsonaro: Dismantling Institutions, Curtailing Participation, Delegitimising Opposition". *Zeitschrift Für Vergleichende Politikwissenschaft* 15 (2): 229-247. doi:10.1007/s12286-021-00491-8.

Mertens, Karel, and José Luis Montiel Olea. 2018. "Marginal Tax Rates And Income: New Time Series Evidence*". *The Quarterly Journal Of Economics* 133 (4): 1803-1884. doi:10.1093/qje/qjy008.

Muggah, Robert. 2022. "Brazil'S Illegal Gold Rush Is Fueling Corruption, Violent Crime And Deforestation". *Mongabay Environmental News*. <https://news.mongabay.com/2022/01/brazils-illegal-gold-rush-is-fueling-corruption-violent-crime-and-deforestation/>.

Ogando, Ana Carolina Ogando, and Mariana Prandini Assis. 2018. "Bolsonaro, 'Gender Ideology' And Hegemonic Masculinity In Brazil". *Aljazeera.Com*. <https://www.aljazeera.com/opinions/2018/10/31/bolsonaro-gender-ideology-and-hegemonic-masculinity-in-brazil>.

Pontes, Nadia. 2021. "Indigenous Brazilians Accuse Jair Bolsonaro Of Genocide At ICC | DW | 09.08.2021". *DW.COM*. <https://www.dw.com/en/indigenous-brazilians-accuse-jair-bolsonaro-of-genocide-at-icc/a-58810568>.

Pulice, Carolina. 2021. "Factbox: Bolsonaro Government Fails To Deliver On Privatizations". *Reuters.Com*. <https://www.reuters.com/markets/deals/bolsonaro-government-fails-deliver-privatizations-2021-12-13/>.

Roper, Laura. 2021. "Violations Of Indigenous Rights In Brazil Under The Bolsonaro Administration — Human Rights Pulse". *Human Rights Pulse*. <https://www.humanrightspulse.com/mastercontentblog/violations-of-indigenous-rights-in-brazil-under-the-bolsonaro-administration#:~:text=THE%20ACTIONS%20OF%20THE%20BOLSONARO%20ADMINISTRATION,-In%20February%202020&text=This%20illegal%20mining%20has%20led,Amazon's%20deforestation%20resulting%20from%20mining>.

Saad-Filho, Alfredo. 2020. "Endgame: From Crisis In Neoliberalism To Crises Of Neoliberalism". *Human Geography* 14 (1): 133-137. doi:10.1177/1942778620962026.

Saad-Filho, Alfredo, and Fernanda Feil. 2021. "COVID-19 In Brazil: How Jair Bolsonaro Created A Calamity | Feature From King's College London". *Kcl.Ac.Uk*. <https://www.kcl.ac.uk/covid-19-in-brazil-how-jair-bolsonaro-created-a-calamity>.

"UNCTAD Handbook Of Statistics 2019 - Economic Trends". 2019. UNCTAD. https://unctad.org/system/files/official-document/tdstat44_FS07_en.pdf.

Wraight, Tom. 2019. "From Reagan To Trump: The Origins Of US Neoliberal Protectionism". *The Political Quarterly* 90 (4): 735-742. doi:10.1111/1467-923x.12709.

Zidar, Owen. 2019. "Tax Cuts For Whom? Heterogeneous Effects Of Income Tax Changes On Growth And Employment". *Journal Of Political Economy* 127 (3): 1437-1472. doi:10.1086/701424.