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CAPITAL AND POLITICS: LINKS AND DISTANCE DURING THE BOLSONARO GOVERNMENT

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Introduction

The relation between political and economic power, such as we have known their differentiated existence in modernity, has been tense practically and puzzlingly theoretically. Much has been said about the modern state, politics and capitalism, but actual investigations about how this really happens are few and far between and not necessarily very enlightening. This paper tackles this issue with reference to Brazil in the last decades together with a theoretical perspective. We examine the available literature regarding the theoretical understanding of the relation between these two spheres of power as well as how the relationship between them has been understood in Brazil. Companies, the state and the political system appear as conceptual axes in our conceptual framework. We examine the networks involving large national companies and the state, and then how the positions within the main elements of the political system are organised. We see this paper as a first exploration of the issue with respect to Brazil, which needs to be deepened with further analysis of the government in other recent periods the workings of regulatory agencies where we suppose much of so-called state capture occurs (outside the formal political system and therefore, strictly, the state apparatus).

As stated in a previous paper stemming from this research, Brazil has undergone a long process of 'conservative modernisation' that lasted from the process of independence to the late twentieth century (Domingues, [2002] 2004). This rested on a compromise between big landowners and the emerging industrial bourgeoisie, mediated by the state, in different forms. In the 1980s, Brazil had fully modernised and the structures of the state, and especially the political system, no longer corresponded to those of a traditional oligarchic state commanded by large landowners, although this component remained, but now under a very different guise – an advanced agribusiness sector with corresponding classes. Nor could the bureaucratic authoritarian regime hold on to power once modernisation was fully accomplished, of course in a specific way, with the military exiting the political scene basically unscathed, which permitted them to try to return with a once again extreme-right project under the leadership of Jair Bolsonaro, elected as president in 2018 and governed till 2022, when he lost his bid for re-election. After eight years of government by the Party of the Brazilian Social Democracy (PSBD) with Fernando Henrique Cardoso (1995-1998 and 1999-2002), and fourteen years of the Workers' Party government with Luiz Inácio Lula da Silva (2002-2006 and 2007-2010) and Dilma Rousseff (2011-2014), who was re-elected for 2015-2018 and impeached in 2016 due to extremely arguable accusations, the political system was in a deep crisis culminating in huge demonstrations and shocking corruption investigations which resulted in Bolsonaro's election as president in 2018.

While industry grew during the twentieth century, in the twenty-first it is not so central in the Brazilian economy. Services and agribusiness, along with mining, now occupy the main positions in the country's economy. These are the sectors of the largest companies in Brazil which we examined during our investigation, looking for the current links between politics and economics. Moreover, the accumulation of capital is now carried out, in conjunction with global processes, largely under the aegis of finance capital.

Although it is still necessary to cover other periods of recent Brazilian history, this article focuses on the Bolsonaro government. Nonetheless, we are confident that the main conclusion reached in our investigation is correct – that the links between business and the political system are rather indirect in contemporary Brazil. Regarding the state apparatus more broadly, there are further connections, but these do not define the general functioning of the state per se. Therefore, we rely on more flexible standpoints about how the state and the political system work, including more indirect mechanisms sometimes based on blackmail – either direct threats or simply the possibility of business voting with their feet, – that is, refraining from investing and adopting similar measures that may offer a description and explanation of the issue at hand. We aim here at a revision of the discussion about the connection between political and state power on the one hand, and economic power on the other hand, which is a traditional question in political sociology. This more general theme underpins the more specific goal of situating the role of ruling political groups, and their links with business and economically dominant classes, in the reproduction of inequality in Brazil, one of the most unequal societies in the world as shown in other papers in this research.

Apart from this short introduction, this paper is divided into four sections. First, we review the theoretical literature about the relationship between state, political system and economic agents, both regarding internal processes and foreign policy. Then we present our methodology and the data collected, proceeding to an analysis of our findings considering the literature of the first section. A conclusion wraps up the paper, resuming its empirical and conceptual arguments.

Conceptual perspectives and the analysis of the relationship between the state, political system and capitalism in contemporary Brazil

The discussion about the state and social agents, particularly social classes, is an old one in Brazil. In particular, the 1930 Revolution and the long process of 'conservative modernisation of the country' have received a lot of attention from researchers of different theoretical affiliations. The years of ruling when the Workers' Party was in government and the fall of President Rousseff were not different, but the Bolsonaro government and its extreme-right leanings have not received as much attention before as in contemporary Brazil. The literature that deals with such issues is informed by more general theoretical perspectives. In this section, we first briefly review these perspectives and then focus on literature relating to twenty-first century Brazil.

Mostly, literature about the relationship between state and society particular classes manifest a Marxist imprint. Marx and Engels ([1848] 1963) articulated the classical standpoint in the *Manifest of the Communist Party* in which they argue that the state was "a committee to care for the interests of the bourgeoisie" in a time where restrictions to suffrage were stringent and the state was simple. Engels ([1884] 1975) later stressed the role of the state as a more neutral and general manager of capitalist societies. In other works, like Marx ([1852] 1967), the role of different fractions of 'capital' in the political struggles around the control of the state was stressed. Note that not only did they point to a determination, even though possibly 'in the last instance' of the state by the capitalist economy, but they also conflated the state machinery as a whole and the political system as such. On the other hand, Weber ([1921-22] 1978) emphasised the rational-legal element of the modern state against former patrimonial features of other types of 'domination'.

The twentieth century witnessed the development of other Marxist approaches, which relied on Marx and Engels but clashed between themselves. Miliband (1969) argued the ruling classes did govern directly. He was criticised by Poulantzas (1975, 1978) who increasingly saw the state as a 'field of struggle' although he also accepted that the state had a class character. The complexity of the advanced capitalist state, however, did not allow for its definition as an 'executive committee' of the bourgeoisie since classes were differentially present in the several state apparatuses (the ruling classes were in any case adamant about controlling finance ministries and the army). Claus Offe (1986) went further claiming the state (the politicians) as more concerned with the reproduction of its power, for which the smooth development of the accumulation process was crucial. This meant that politics must adjust to the interests and demands of capitalists to assure such *smooth* development. More recently, Jessop (1990) resumed Poulantzas ideas and pushed them in the direction pioneered by Engels, thus almost dissociating the state from capitalist classes or classes more generally. The conflation between state and political system remained.

The Weberian school mostly abided by the original view of the modern state, though later Eisenstadt (1973) recognised that it could also have a 'neopatrimonial' character. Possibly inspired by Poulantzas, Mann (1986) spoke of social class (or more generally societal) 'crystallizations' within the state, but this remained largely unexplained.

Related to some sort of pluralist understanding of politics (such as in Dahl's 1971 work on polyarchy), the idea is that multiple interests lock in and then hold in the long run. This theory, inspired by evolutionary biology, became the staple of political science and political sociology. It has at its core the conception of a long-term equilibrium in public policies that would be disrupted by punctuated changes, thus altering such configurations. Public policies result from and reiterate constellations of agents and interests, with more radical changes from time to time (Baumgartner and Jones, 1993). Lobbies of course play an important role in these constellations and outcomes, though this is one of the most poorly studied issues in political science and political sociology internationally (Andres, 2008).

In the analysis or analyses (plural?) of Brazil in recent decades, Marxism was found to be predominant. Particularly Boito (2007, 2018) stressed the struggle between capitalist fractions – a more internationalised and a more internal, though not 'national', fraction of capital – in the definition of the political dynamics of the country. The inspiration is supposedly Poulantzas', but there is in fact a very close and strict association between such class fractions, the state and political dynamics is a view, without empirical backing. Rousseff's fall, for instance, is explained by the defeat of the internal bourgeoisie – of which the real estate industry would be the main sector – by the more internationalised fraction, for instance agribusiness and finance capital as well as telecommunications. Other Marxist authors pointed to the Bonapartist character of the Lula da Silva governments (Singer, 2018), with the president hovering above classes, in particularly the poor and business people, the impeachment *qua coup de état* that pushed Rousseff out of power was also explained by the hypothesis of a sort of betrayal of her government by the bourgeoisie, though without specifying the role of class fractions (Singer and Loureiro, 2016).

Distant from Marxism – somehow closer to Weberianism and a large tradition in Brazil that stresses the patrimonial character of the state – we find an argument about the 'capitalism of ties' (Lazzarini, 2010) that predominates in the country. To succeed, capitalists need connections within the state. Something similar, it seems, to Cardoso's (1975) 'bureaucratic rings' regarding the 1960s-1980s military regime. Though literature on pluralist interests and their influence on the state is simply absent in Brazilian political science and political sociology, some rather vague discussion about the alignment of public funds with the interests of large companies, especially about the financing of the main Brazilian investment bank, which is the state-owned National Bank for Economic and Social Development (BNDES) (Pinto 2011), but also the influence of capitalist sectors in elections – especially the composition of the national Congress – has been produced in the last decades, with some reflection about how this affects executive power (Gershon et al., 2020; Santos, 2018). Although no theoretical framework is presupposed, the plurality of interests of different capitalist sectors comes up when agribusiness, mining and finance capital receive some attention in a rather discrete analysis of contemporary Brazil (Simionatto and Costa, 2012).

So much for the internal dynamics of the country. In turn, most literature on Brazilian foreign policy focuses mostly on the state apparatus, the different frameworks adopted by diplomats and the presidencies as they attempt to adapt policies and bureaucracies to changes in the international system. Note that the Brazilian Foreign Office (*Itamaraty*) counts as one the most important and oldest established and capable bureaucracies in Brazil with solidly established diplomatic careers. The focus of the literature on state apparatus was reinforced by the view that the *Itamaraty* has been insulated from society. Nevertheless, as specialists moved towards the treatment of foreign policy as a public policy and the 'democratization of foreign policy' became a relevant theme, they were able to question the connections between state and economic interests (Lima and Santos, 2001; Lima, 2000; Milani and Pinheiro, 2012, 2017; Puerari, 2016). The role foreign policy played in the process of internationalisation of Brazilian capitalism has also been studied with one branch focusing on foreign policy (Carvalho, 2010; Mancuso and Oliveira, 2006). These interpretations are mostly based on a pluralist perspective, finding articulations between interest groups and the state.

Finally, the relation between models of development and foreign policy was studied by Marxist authors in line with the class/state articulation mentioned above. The state is in this case analysed in terms of the articulation between national and transnational capital. Poulantzas' perspective allowed for the analysis of foreign policy as struggles between factions of the bourgeoisie (Boito and Berringer, 2013). Yet, not much empirical evidence has been offered to support the theses such authors defend.

It should be noted that no empirical support is furnished to buttress such general observations and hypotheses. Also, the conflation between state and political system is present in this literature, which is usually conceptually very scarce too. Moreover, there is no discussion of such issues in relation to the Bolsonaro government, even though the former vice-president, Michel Temer's government, resulting from the ousting of Rousseff, has been characterised as the victory of the internationalised fractions of capital over the internal ones or as the result of the betrayal of the impeached president.

In what follows, we base our analysis on several views. First, we adopt in general terms Offe's (1986) view that the capitalist state is a machine geared to its own reproduction, for which the smooth reproduction of processes of accumulation is crucial. We adopt also the more pluralist view that points out the role of multiple – and fragmented – interests in the definition of public policies, which are locked in constellations that are hard to change although they do change in a long-term process of 'punctuated equilibrium'. Some studies in Brazil have, for instance, drawn upon such a theory to analyse changes in budget allocation and influence changes caused by exogenous and endogenous factors (Carvalho, 2018).

We would like to stress the differentiation between state and political system. Whereas the former is larger than the state political system, which it encompasses, the latter has some of its structures within society configuring a societal political system, which is often defined as 'civil society'. Politics, through the state political system, takes decisions implying ends; in turn, the bureaucratic components of the state implement them. This separation, while substantively to be found, must also be attributed an analytical character since the top layers of different bureaucracies take part in politics. Moreover, ends and means often alternate, refashion and turn into each other (Domingues, 2019). With these caveats, this conceptual distinction will allow us to initiate an analysis that argues both for a separation between capitalist agents by and large regarding the main Brazilian companies and the state, and identifying some specific areas in which those pluralist interest can be seen as influencing public policies. The effort to manage the economy in the interest of the reproduction of the state and in particular the political system – a main concern of politicians – and at the same time, more discretely and directly, shape public policy is unearthed. In any case, the first determination, more general and indirect, is reflected in the policies implemented by the political system and, under its aegis, that is, of executive and legislative power, the broader bureaucratic machine of the state.

The links between business, the state and the political system in recent Brazilian history: empirical evidence

We started our investigation by examining the links between large companies and the state, in particular the political system. We expected to find clear ties between these two universes, as the literature reviewed previously about the connection between politics and ruling classes in Brazil would lead us to believe. The opposite happened. We started with the spectacular site of *Eles Mandam*[1] ('They Rule') (https://elesmandam.reporterbrasil.org.br) which details the board of directors of the main Brazilian companies during the Lula da Silva government.[1] We updated the information – though more informally and with much less sophistication than the original site – for the biggest ones during the Jair Bolsonaro government (see APPENDIX). This did not lead us very far either, which occasioned an early abandonment of this strategy. Our empirical investigations, which focused on the Lula government initially and then on the members of the Bolsonaro government as well as the members of the boards of directors of large companies, show little or no evidence of direct links between corporations and politicians. While we can surmise

[1] '*Eles Mandam*' is an initiative by Repórter Brasil with the support of the Friedrich Ebert Foundation, inspired by 'They Rule' (www.theyrule.net) (not in ref list?) elsewhere. It shows who sits on the boards of the largest companies, making it possible to identify networks of relationships between them. It also incorporates the direct and indirect relationships between the main economic groups operating in Brazil and identifies the tentacles of corporations, bringing out the links between them. Data collection took place until June 2014.

the presence of lobbies and various pressure groups in several sectors of the state, something that only deeper and more extended research would be able to show, thus far our investigation indicates that such links do *not* form a more general project and do *not* express the existence of an amalgam between the political system and the capitalist classes.

Let us, therefore, detail how we carried out the research that has led to such a surprising result, especially for those who might believe a priori in putative direct links. We believe this finding is rather innovative.

The empirical front of our research aimed precisely at outlining the profile of individuals who occupy top power positions in large companies and in the state, seeking to map the links between the political system and capitalism in contemporary Brazil. To that end, our time frame focused on the period relating to the Bolsonaro government (2019-2022). As stated above, we also established a demarcation of the empirical field both in terms of the market and the state, taking as an object of investigation two specific instances: 1) the members of the boards of directors of several large companies listed on the Brazilian stock exchange; and 2) members of the first and second echelons of five key ministries of the Bolsonaro government.

In both cases, the core of the research consisted of building individual profiles by collecting information publicly available in journalistic articles, companies' websites, and government agencies, as well as information made available by these individuals themselves through social media (especially LinkedIn), interviews, articles, and appearances at events. Data collection had as its central axis six individual markers through which the links between big business and the state would be identified: 1) personal trajectory and professional activity; 2) family connections; 3) economic ties; 4) political-party ties; 5) participation in civil society organisations aimed at promoting explicit or implicit political agendas; and 6) discourses.

Based on this methodological proposal, we engaged in the systematic collection of data on these agents to produce evidence and inferences capable of substantiating the present effort of social and political analysis, as well as theoretical reflection regarding the relationship between capitalism and the political system in Brazil. Despite the limitations imposed by the initial and non-exhaustive nature of the research – in part due to its originality – we understand that the results obtained contribute to pointing out fruitful paths to analyse the mechanisms that build the convergence between the Brazilian state and the interests of capital, whether finance capital or its other, more specific and productive forms indicating, above all, the need to think about such convergence in terms of *political processes*.

First of all, when it came to the investigation of the members of the board of directors of the big companies listed on the Brazilian stock exchange, we selected a sample of fourteen main companies from the different major economic sectors in terms of size, market value and notoriety: agribusiness (BRF and JBS); banks (BB and Itaú); pension funds (Previ and Petros); industry (Ambev, Petrobrás and Vale); infrastructure (Eletrobrás and Telefônica); services (Carrefour, Magazine Luiza and Unimed). Through this sampling, we built the profile of the more than 120 members of the board of directors of such companies for the year 2022, aiming at the individual markers listed above.

The results obtained were surprising, even for us, who did not initially believe in many direct connections. There is an *almost complete absence of observable ties between these agents and the political system*. Through the data collected, it is possible to affirm that almost more than 120 individuals analysed had a profile strictly associated with the business world – meaning the universe of careers typically associated with business management in the various branches of the economy. Therefore, it was not possible to find evidence of significant connections between such agents and the political system, as they were markedly dissociated from any public activity relating to lobbies and/or any type of explicit political agenda.

Given these results regarding the universe of the market, our research concentrated efforts on the attempt to follow the opposite path, tracing the profile of the members of the Bolsonaro government to identify the possible links of these agents with big business. We then selected a sample of five key ministries of the Bolsonaro government, based on their relevance to the economic field: economy, agriculture, livestock and supply, mines and energy, infrastructure, and health. This was completed by an analysis of a ministry which is, as such, usually headed and managed by professional, career diplomats, namely, *Itamaraty*, the Brazilian Foreign Office. Through this sampling, we built the profile of the ministers and the secretaries who made up the first and second echelons of such ministries for the years 2019-2022, targeting the same individual markers previously listed.

As for the secretaries who made up the second echelon of these five ministries during the Bolsonaro government, the results obtained perfectly reproduced, in an inverted form, what was found about members of the boards of directors of large companies. That is, there was virtually a total absence of observable links between these agents and the so-called big business. Through the information collected, it is possible to state that the 58 secretaries studied all had a trajectory and professional profile markedly associated with bureaucratic state careers – that is, the universe of state careers defined by professional qualifications associated with the themes of the ministry in question, with special emphasis on public management. Consequently, it was not possible to find meaningful connections between these agents and large companies, as they were markedly dissociated from any public activity related to lobbies and/or observable economic links with the financial capital.

With respect to the Brazilian Foreign Office (*Itamaraty*) a traditional point must be underscored: this is a highly institutionalised branch of the Brazilian state. The leadership and ambassadors are carrier diplomats that went through the Foreign Office's school (Rio Branco Institute) and moved through the carrier structure. The 1552 diplomats currently serving in the Foreign Office went through this process. The Bolsonaro government did consider changing the system but never implemented this project. Thus, no direct connections with the economic sectors could be traced with occupiers of the ministry also during the Bolsonaro government belonging to this bureaucratic body (which in any case has traditionally been open to lobbies and the promotion of Brazilian business abroad).

Table 1: Total number of secretaries in the selected ministries from Bolsonaro's government for the year 2022 and how many had links with big business

Ministries	Number of secretaries	Secretaries with links with big business
Economy	14	0
Infrastructure	7	0
Agriculture, Livestock and Supply	15	0
Mines and Energy	7	0
Health	7	0
Foreign Affairs	8	0

Source: Elaboration by the authors themselves

When it comes to the thirteen ministers who commanded the five ministries listed above during Jair Bolsonaro's term, the results of our investigation present a more complex and heterogeneous scenario. On the one hand, our research confirms the understanding, quite widespread in the national public sphere, that several ministers appointed by Bolsonaro had relevant connections with the private sector, in particular with the big business lobby associated with the ministries that such figures oversaw. From the thirteen ministers we researched, we found that six of them presented at least some type of link with big business.

Table 2: List of ministers from each selected ministry from Bolsonaro's government for the period of 2020-2022 and how many had links with big business

Ministries	Ministers	Total number	Ministers with links with big business
Economy	Paulo Guedes	1	1
Infrastructure	Tarcísio Gomes Marcelo Sampaio	2	0

Agriculture, Livestock and Supply	Tereza Cristina Marcos Montes	2	2
Mines and Energy	Bento Albuquerque Adolfo Sachsida	2	0
Health	Luiz Henrique Mandetta Nelson Teich Eduardo Pazuello Marcelo Queiroga	4	4
Foreign Affairs	Ernesto Araújo Carlos Alberto França	2	0

Source: Elaboration by the authors themselves

What types of links are these? And what are their weight and relevance for thinking about the relationship between big business and the functioning of the political system? Let us see how this happens in each of the ministries, focusing on the ministers in question.

First, we must mention Minister Paulo Guedes, an extremely influential figure in the Bolsonaro government, who headed the 'superministry' of the economy from the first day of government. A graduate in economics from the Chicago School, notorious banker and rentier – founder of BTG Pactual, one of the major investment banks operating on the Brazilian stock exchange, as well as the Millennium Institute, a prominent think tank whose mission is to spread liberal economic doctrine in Brazil – Guedes has deep economic ties – in addition to professional and ideological ties – with national and international finance capital. Indeed, Guedes was at the centre of the elaboration of several of the most radically neoliberal policies advanced during the Bolsonaro government, such as, the privatisations of companies and public assets, the highly regressive pension reform approved in 2019 as well as the so-called 'Petrobras new price policy' aimed at adjusting the price of fuel in the country to favour shareholders.

Noteworthy here is also the case of Tereza Cristina, who headed the Ministry of Agriculture during most of the Bolsonaro government. A career politician but also holding a graduate degree in agronomy and a traditional landowner of the centre-western region of the country, Cristina became leader of the Agribusiness Bench in the National Congress during her second term as a federal deputy for the Democrats Party (DEM) in 2018. She has worked closely with the various lobbies of agribusiness such as the Brazilian Association of Soy Producers (ABPS) and the Think Agro Institute (IPA). She was also the leader of the Agricultural Parliamentary Front (FPA). Cristina played an essential role in the approval of Bill no. 6.299/2002, which made the rules for the inspection and application of pesticides in Brazil more flexible in addition to her role as minister fiercely shielding agribusiness from the application of environmental laws against deforestation.

Replacing Cristina in the Ministry of Agriculture in March 2022, Marcos Montes entered the stage. He holds an MD and is a career politician belonging to the Social Democratic Party (PSD) which is by no means social democratic, but instead a clientelist centre-right party). He also has a history of close connections with the agribusiness lobby, besides being the owner of eight farms that were valued at BRL2,8 million. Although a less prominent figure than Cristina, both in Congress and in the federal government, Montes was a highly active member of the FPA, of which he was president for a two-year term that ended in 2017. It was during his tenure that, for the first time in its fourteen years of existence, the FPA received a president of the Republic at its headquarters. Throughout his time as the head of the ministry, Montes has also been a staunch opponent of the application of environmental laws and the fight against deforestation, constantly attacking the press for supposedly 'exaggerating' the problem.

Finally, it is important to highlight the case of the Ministry of Health, particularly relevant due to the COVID-19 pandemic and the fact that the Bolsonaro government began with an explicit proposal to privatise the country's public health system (the SUS). Occupied by several names during this dramatic period, these four ministers – Luiz Henrique Mandetta, Nelson Teich, Eduardo Pazuello and Marcelo Queiroga – are particularly relevant due to the strong connections of some of them with the health industry. An MD and career politician for the Brazilian Democratic Movement (MDB) and DEM, Luiz Mandetta headed the ministry during 2019-2020, with a trajectory strongly linked to private health insurance, having been president of the Unimed group in Campo Grande. It is to suppose that he owed his appointment as minister to the lobby of the professional corporations and the health industry. Nelson Teich, in turn, is an MD with a doctorate, and graduated with several MBAs focused on health administration and business management. He is a politician affiliated with the DEM, but above all a businessman and consultant – he was the founder of Grupo Clínicas Integradas (COI) and is currently a partner at Teich & Teich Health Care as well as executive director of MedInsight. Both are companies operating in the field of health management by also providing consultancy for important groups, such as the Hospital Israelita Albert Einstein. He played an important role in Bolsonaro's campaign in 2018, providing a kind of informal consultancy and establishing the bridge between the future government and the health industry. He headed the ministry for a single month, from April 2020 to May 2020.

Although they do not have direct links with the health industry lobby, the two subsequent health ministers, Eduardo Pazuello and Marcelo Queiroga, also have clear connections with the business sector. A career military man and Brazilian Army general, Eduardo Pazuello headed the Ministry of Health for approximately one year, from May 2020 to March 2021. Appointed due to President Bolsonaro's proximity to the armed forces, Pazuello stands out primarily for his family ties, being one of the heirs of a traditional family of wealthy businesspeople in the Amazon region. Along with his brother, he is a partner at J.A. Leite Navegações, an important logistics company in the Amazon region. His management at the head of the Ministry of Health was marked by major scandals and tragedies, such as his defence of the use of drugs without proven efficacy against COVID-19 (chloroquine and hydroxychloroquine), political interference and delays in the national vaccination plan, as well as failures in the distribution of essential health equipment, such as respirators, resulting in a very high number of deaths from COVID-19 in the country during this period.

In turn, Marcelo Queiroga is a cardiologist who headed the ministry in March 2021 without any prior experience in public management, remaining in office until the present. He was previously a managing partner of Cardiocenter, a medical services company based in the city of João Pessoa. Although we have not identified Queiroga's systematic involvement with the health industry's lobby, his management was marked by scandals also involving the private sector, such as accusations of corruption involving overbilling for the purchase of 20 million doses of the Indian vaccine Covaxin. The scandal, due to the attempt to sell vaccines in 2021 during the Pazuello period as a minister, involved a small and obscure business and included Congressmen, a former health minister as well as a public servant (https://wawww.bbc.com/portuguese/brasil-57647163). Nevertheless, an investigation led to nothing as is often the case in Brazil and elsewhere too.[2]

On the other hand, despite the relevance of these connections between various members of the government's top echelons and big business, our research points out that *there is sparse significant evidence that such links were decisive in defining the policies implemented by the Bolsonaro government*. Links exist in some cases and in some of them outcomes are clearly related to such links. This is, however, not the rule.

On the contrary, the ministers mentioned showed no relevant political and ideological divergences in relation to the other members of the government. The policies implemented by figures such as Guedes and Cristina, Mandetta, Teich and Queiroga, quite faithfully reflect the general political-ideological orientation of government coalition and of Bolsonarism itself. In some cases, they did implement measures that are consistent with the general perspectives of the sectors they were connected to, though direct evidence of lobbies is harder to find. To be sure, privatisation of public health care, the SUS, was on the other hand stopped short by the unexpected pandemic, although it was contemplated in the executive as well as in the legislative. In any case, it did not progress afterwards. On a daily basis, destruction rather than consistent policies seems to have predominated. In other cases, the issue is more diffused regarding policies, which responds to a more general project in which at any rate destruction remained an outstanding factor and an outcome.

In short, we understand that the plurality of interest groups and the inexistence of a project to fuse big business and the government indicates that the Brazilian state is not constituted either directly or personally by whatever fraction of the capitalist or corporate class, though sometimes this does hold true. Approaches, therefore, that support the existence of an amalgam between the political system and capitalism, whether rentierism or others, offer very

[2] In the Ministry of Education connections could be pointed out as well, though only not so much with the mainstream private sector, but rather with some Evangelical sectors. In any case, we have not gone into detail regarding this ministry in our investigation.

problematic descriptions of the state power structure and function in Brazil, in particular regarding the political system, serving only to highlight already caricatured characters.

How, then, to understand the reason for the state policies of the Bolsonaro government as ways of consolidating and intensifying financialisation? Unlike what is suggested by the notion of *amalgam*, there is evidently a relationship between state rules/institutions and the development of finance-led capitalist accumulation. This relationship is not, however, *instrumental*. On the one hand, as seen, it presupposes the non-correspondence between market and government actors. On the other, there is a diversity of interest groups that dispute the state apparatus. This shows that in Brazil the state may be subject to different individual lobbying strategies which need to be better investigated.

On the other hand, Bolsonarist policies do not seem to have been geared toward satisfying the particular interest even of the rentier class, which has in Guedes a prominent member. Although there is little reference in the literature about the social constitution of this class, it has been briefly defined by its parasitical character (with respect to productive activity and speculation with public funds), rudeness regarding the social question (as it waits for its income distanced from the contradictions of the capital-labour relationship), anti-historical vision (averse to future provisions and integrated to risk) and by its orientation to exclusive and luxury consumption (Gonçalves, 2020). These were goals searched for by the Bolsonaro government measures. These measures add up to a program of privatisation of public services and guarantees capable of transforming the entire society into assets, not to satisfy the immediate individual interest of a certain parasitic rentier. The demolition of rights and the lack of investment do not achieve specific advantages for rentiers. These measures aim at broader outcomes, creating conditions for all social classes and subjects – especially the working and middle classes and the functioning capitalists – to participate in the financial circuit. In particular shrinking the state – which was painstakingly albeit unevenly built up during the post-re-democratisation period by de-structuring several of its functional requirements – underpinned most of Bolsonaro's policies rather than strict financialisation measures. Neoliberal radicalism, rather backward, probably anachronistic, brutal and naïve as well as cynical with regard to the future of the country, commanded this project – especially concerning the state apparatus as such (Gaetano and Lago, 2022).[3]

In this sense, the instrumentalist theory of the state, that is, the idea that the state is an instrument of the rentiers, helps little in understanding the formation of political power in Brazil. Cash transfer programs, for example, enable vertiginous financial inclusion and increase consumption in the short term. They, therefore, fulfilled the aspirations of extremely pauperised groups to be included in the market, albeit in perverse ways, with the increase in consumption and financial expropriation thus creating a peculiar social safety net and increasing public spending.

[3] While the pandemic forced him to adopt emergency Keynesian policies, the most relevant economic measures of the Guedes administration included: 1) the reform of the pension systems (which has principally affected the poor, since part of the middle classes has been investing in private retirement schemes for decades), 2) privatisations (though limitedly), 3) making the Central Bank legally autonomous and 4) the lowering of interest rates for the first time in a long time compatible with international patterns until the pandemic brought about inflationary pressures and a loss of rentability of investments. This led the Central Bank to raise interest rates, resuming the usual answer to the first sort of issue. This has hardly consisted in a finance capital offensive.

Moreover, these programs prepare vulnerable groups to participate in the financial exchange relationship, creating a strong dependency of these groups on the flow of interest-bearing capital. At the end of the government, the target cash transfer, called *Auxílio Brasil*, allowed also for loans to be discounted from the benefits automatically, a possibility so brutal and fraught with risks that it seemed to scare even bankers.[4]

Stressing the autonomy of the political dimension implies pointing out that different political visions and projects are possible at the same historical moment. These relate in different ways to distinct forces in society and especially in the societal political system through rather complex mediations. Reiteration, increasing or decreasing social inequality, may be a relevant if not pivotal element of such visions and projects which different political groups entertain.

From these issues, the hypothesis about the functioning of the Brazilian state in recent years that becomes most plausible is that, because of the national political dynamics and the government project imposed through Bolsonarism, the state has deepened the creation of rules and institutions that establish the conditions for all units of value to participate in the dynamics of finance-led capital accumulation.

Conclusion

During our research, we have concluded that, although the state and even the political system are entangled with finance-led capitalist accumulation in contemporary Brazil, this is a mediated and indirect relationship. More specifically, there is a certain plurality of classes and social groups that impact the state, whose political system formulates, often in heterogenous ways and according to conjunctional pressures and dynamics, policies which allow several capitalist fractions to participate in financialised capital accumulation. Such heterogeneity is at the core of the *politi cal dimension* that defines the modern state in its relationship with the societal field (Castoriadis, 1990; Domingues 2019). In this way, focusing on the political dimension of modern societies, it is possible to draw upon the lucid component of Marxist and Weberian theoretical formulations that deal with the inseparability between the state and the broader dynamics that cut across social life, especially regarding capitalism and class struggles, such as the problem of the exercising of *hegemony* and building consensus, the dynamics of the formation of a *power and historical bloc* – with attendant 'ideological' components – that underlies the exercise of state power (Gramsci [1929-1935] 2010; Poulantzas, 1975) as well as the presence and reproduction of *crystallizations* that define the nature of the modern state in each context (Mann, 1986). The central problem here is not the expression of the particular interests within the state, but instead the *political processes* through which subjects impose projects that organise its

[4] *Auxílio Brasil* was a strengthened version of the *Bolsa Família* programme, the targeted cash transfer scheme to the poorest sectors of the Brazilian population introduced by the Lula da Silva government and one of its highlights. Both consist of a sort of social liberal policy that combats poverty but at best only indirectly and not all the time faces up to inequality, though during the PT's period it was in fact combined with other socioeconomic policies (especially the rise of minimum wages).

functioning, producing policies that articulate a more or less broad set of demands and interests present in the social world, especially those associated with the dynamics of capitalist accumulation.

This hypothesis finds its theoretical foundation in the aforementioned Marxist political sociology of Claus Offe. For him, the capitalist state "does not defend the specific interest of a single class … the state nevertheless seeks to implement and guarantee the *collective* interests of all members of a *class society dominated by capital*" (Offe, 1984: 120). It enables the commodity form to be universalised through rules and institutions (from labour law to budgetary and monetary regulations) which ensure that the ownership (of capital or labour power) of each subject, is included in an exchange relationship – though it may also partly express the interests of dominated classes, especially through welfare policies. In the renewed terms of the Bolsonarist Brazilian state, it has to some extent promoted the social generalisation of financial forms and particularly maintained those that were already implemented during previous governments (including those of the Workers' Party. This allows for turning their goods, rights, and experiences into negotiable assets with individual claims to capitalisation. In this sense, the Brazilian state becomes essential for the translation of provisions and guarantees into property, sources of rights over future rents.

Since the 1990s, the conservative monetary policy and the public debt management model, based on high interests, have been inducing the stabilisation of a new accumulation pattern in Brazilian society. This pattern was by the generalisation of financial forms over all dimensions of social life (Lavinas, 2017), although there was an interruption precisely during the initial period of Bolsonaro's government following international trends. Such generalisation implied the expansion of the rationality of the financial system in the processes that shapes resource allocation, namely, that determine the circuits of capital, new productive instances, technological innovations, labour relations, etc. Accordingly, financialisation makes possible a social order based on the concentration of wealth in the hands of the largest stockholders – predominantly private banks, pension funds, insurance companies and global corporations (Bruno et al., 2011). At the same time, it redefines inequality via the defunctionalisation of productive profits and violent retraction of the Wage Bill (Saad-Filho, 2014). Rentism thus expands its political and economic power with the consequent squeeze on the social place of the functioning capitalists and the middle- and working-classes, now repositioned in the face of their dependence on the financial market (Marques and Rugitsky, 2022).

These issues have become once again relevant during the Bolsonaro administration, characterised by the formulation of policies aimed at accelerating the process of financialisation (Gonçalves and Lavinas, 2022). Among them, one can highlight the pension reform that raised the retirement age for women and the number of qualifying years of contribution; the aggressive reduction of public spending in areas such as education, science, health and the environment; the autonomy of the Central Bank as well as the creation of rules that facilitated the dollarisation and internationalisation of Brazilian portfolios. Even the protective measures in the face of Covid-19, which, through the approval of a 'War Budget', slowed down the dismantling of public services, did not oppose the dynamics of financialisation. They were, on the contrary, supported by scientific and health denialism. Its main action – the Emergency Aid Program – consisted of a massive cash transfer that covered 67 million families. It was succeeded by *Auxílio Brasil*, which, besides instituting a temporary increase in its values, authorised the concession of loan consignment to the beneficiaries. Both aid programs made it possible to reduce defaults, but increased the total credit load, accelerating the dependence of workers and the middle-classes on the market for new borrowing. In August 2022, of all Brazilian households, 79% were in debt.

The already mentioned role played by Paulo Guedes, owner of an offshore fortune, as economy minister might suggest the direct presence of rentiers in the governmental political structure, hinting that the Bolsonaro government *serves as the managing committee* of the particular interest of large financial investors. Such a structure, however, is much more complex. It involves the participation of different classes, class fractions and social groups. As we have seen, contrary to what is symbolically insinuated by the reference to Guedes, there is no immediate correlation between the members of the larger stockholder companies' advisory boards and the positions in the highest offices of government ministries.

One example would be the political processes related to the health sector and the Health Ministry, which we have discussed at some length above. While it is notorious that lobbies surround the ministry, the Congress as regards health and the National Agency for Health (ANS), which regulates the sector but which we did not have the time to analyse. Yet, we hope in the course of this research that it is clear they do not always win (Bahia, 2018; Scheffer and Bahia, 2021). Private health insurance, alongside public health care – purportedly as complementary – is crucial in Brazil since the SUS is underfunded. Consequently, the middle- and upper-classes all make recourse to them, with finance-global capital already playing an important role therein. Yet, against the ANS perspective, which allowed private health insurance companies not to offer treatments the former had not mandated but which was confirmed by the Supreme Federal Court (STF) in a controversial ruling, Congress turned project 2033/22 into law forcing such companies to provide a wider range of treatments. Moreover, President Bolsonaro immediately sanctioned the law (G1 2022) close to the 2022 elections to be sure. The lobby did not work this time. Politics and mediation matter. Constellations and interests are responsible for specific outcomes (Baumgartner and Jones, 1993).

We thus believe that our argument holds water. This contradicts much of the literature and much of the consensus supported liberal-Marxist standpoints, or at least of its less sophisticated versions, according to which a direct expression of interests within the state and the political system is to be expected. This does not appear in the Brazilian case and can suggest that this never occurs when large and complex contemporary state structures and political systems are at stake. This does not imply that we deny the connections between capital and politics. Nevertheless, they need to be concretely investigated, alongside their political dynamic proper. We need to wake from our dogmatic theoretical slumbers.

Our research, in any case, needs to be carried out further. Two steps are necessary: 1) to push the analysis back to the Lula da Silva and Rousseff governments; 2) for all of them the analysis of the Regulatory Agencies for diverse sectors of economic activities in Brazil – introduced by the 1990s reforms of the Brazilian 1988 Constitution – need to be carried out, as well as of possibly other ministries and the National Education Council regarding the three governments we have referred to here (Lula da Silva's, Rousseff's and Bolsonaro's) so that a more complete and systematic empirical and conceptual outcome may be secured. This is true of the Brazilian Central Bank too, made independent during the Bolsonaro government. We are confident that much of what we have argued here is correct, but maybe new findings in this regard would help both to introduce further reflections as well as to underpin our conclusion more strongly.

Anyway, it is through the reproduction of capitalism and the extraordinary concentration of wealth typified in Brazil and aggravated by financialisation that the political system and the state contribute to the deep socioeconomic inequality of Brazilian society, despite programmes to combat poverty. The role of ruling political groups is to a large extent independent from dominant economic classes but converges with it practically in large measure. Together they are responsible for the unrelenting reproduction of one the most unequal societies in the whole world.

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APPENDIX

<u>List of sites used to update the Board Members of Selected Companies</u>

Ambev

https://ri.ambev.com.br/governanca-corporativa/administracao (Retrieved 28 February 2023).

Eletrobrás

https://eletrobras.com/pt/Paginas/Diretoria-e-Conselhos.aspx (Retrieved 28 February 2023).

Petrobras

https://www.investidorpetrobras.com.br/esg-meio-ambiente-social-e-governanca/administracao (Retrieved 28 February 2023).

Vale

https://www.vale.com/pt/lideranca#conselho-administracao (Retrieved 28 February 2023).

Telefônica

https://ri.telefonica.com.br/pt/esg/estrutura-de-governanca/ (Retrieved 28 February 2023).

Carrefour

https://ri.grupocarrefourbrasil.com.br/governanca-corporativa/conselho-de-administracao-e-diretoria-executiva/ (Retrieved 28 February 2023).

Magazine Luise

https://ri.magazineluiza.com.br/ShowCanal/Conselho-de-Administracao-e-Diretoria-Executiva?=fgCSQ60+5MvJOPgEysJD0A== (Retrieved 28 February 2023).

Unimed

https://www.centralnacionalunimed.com.br/governanca-socias/ (Retrieved 28 February 2023).

BRF

https://ri.brf-global.com/governanca-corporativa/diretoria-conselhos-e-comites/ (Retrieved 28 February 2023).

JBS

https://ri.jbs.com.br/investidores-esg/governanca-corporativa/diretorias-conselhos-e-comites/ (Retrieved 28 February 2023).

BB

https://ri.bb.com.br/governanca-e-sustentabilidade/conselho-de-administracao/ (Retrieved 28 February 2023).

Itaú

https://www.itau.com.br/relacoes-com-investidores/itau-unibanco/governanca-corporativa/estrutura-de-governanca/conselho-de-administracao-itau-unibanco-holding-s-a/ (Retrieved 28 February 2023).

Previ

https://www.previ.com.br/portal-previ/a-previ/estrutura-organizacional/ (Retrieved 28 February 2023).

Petros

https://www.petros.com.br/PortalPetros/faces/Petros/apetros/conselhoDelib?_afrLoop=84529200800340&_afrWindowMode=0&_adf.ctrl-state=id46cm9da_4/ (Retrieved 28 February 2023).