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Brazilian president wants to privatize strategic economic sectors

10/09/2019



Brasilia, September 10 (RHC)-- Brazilian President Jair Bolsonaro is getting ready to implement an ambitious process of privatization of state-owned assets related to energy production, port infrastructures, gas extraction and natural resources.

Brazilian independent outlets are warning that the Bolsonaro administration operates on three simultaneous fronts to destroy the Brazilian State: the privatization of state-owned companies, the cutting of social policies and spending and the depletion of institutions focused on knowledge production and planning.

Observers say that among the most "desirable" economic activities for privatization are those in the electricity, oil and gas sectors. Regarding the sale of Brazilian electricity companies, it is known that a possible buyer would be State Grid, a Chinese company which is the largest energy distributor in its country.

"One of its possible acquisitions could be the Minas Gerais Energy Company, which Governor Romeu Zema intends to sell despite it has recorded its best half-yearly balance," Brasil de Fato reported.

Three other companies from China and one from Italy are also interested in the Brazilian sources of energy. In oil-related assets, the main interested party is Equinor, a Norwegian company which already operates in Brazil.

"Bolsonaro has ways to stop fuel price hikes but what he is doing is privatizing Petrobras more and more, which will make cooking fuel, diesel and gas even more expensive. Stop privatizing Petrobras!" The statement reads: "Gas is expensive because Bolsonaro wants it to be expensive."

To take a first "small" step towards privatizations, the far-right Brazilian president published a resolution earlier this week that allows private participation in Lengua Maranhenses, Jericoacoara and Iguazu, three national parks which are part of the "National Program of Desestatization "(PND).

Privatization projects promoted by Bolsonaro are expressions of old-fashioned neoliberalism. From the beginning of the 21st century, the "reestatization" of the electricity sector is being imposed worldwide, part of a growing policy trend towards the repositioning of state-owned enterprises and utilities.

"What is being defended is basically the shrinking of the private sector," the president of the Perseu Abramo Foundation, Marcio Pochmann, argued and explained that the 2008 financial crisis showed that the source of the management problem in capitalists economies lies in the private sector rather than in the public one, as opposed to to the current Bolsonaro plan.

"At this stage of capitalism, the country that does not control the largest company has no possibilities to control investment decisions in its national space," he said and recalled that while 1 out of 20 of the world's largest companies were state-owned in 2005, ten years later that share jumped to 1 in 4.

According to Brasil de Fato, 7 out of 10 Brazilians are currently against privatization. So far, however, "there is no organized or massive movement in the country to oppose this privatization agenda," stated federal lawmaker Glauber Braga (Psol-RJ).

Edited by Ed Newman

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