

Brazilian president's neo-liberal pension reform legislation passes



Brasilia, October 23 (RHC)-- Brazil's Congress has passed President Jair Bolsonaro's proposal for social security reform. The controversial reform was approved in the first round by 56 votes on October 1st, while the second round of voting was held Tuesday. Since Bolsonaro's proposal amends the Brazilian constitution, the legislation had to be voted again in the Senate.

Currently Brazilians can retire after contributing to the social security system for a period between 15 and 20 years. The reform will end retirement by contribution time and instead base it on age. The new bill establishes that women must be at least 62 years old to be able to retire and men 65 years old, whether they work in the public sector or in private companies.???

To get a pension equivalent to 100 percent of the average salary, the worker must contribute to social security for 40 years. Critics of the proposal argue that it will lead to the exclusion of the majority of the population from social security, an effect that stands in contrast to the pension model established in the 1988 Constitution.

Bolsonaro's proposal also directly promotes an individual capitalization system for the pensions of Brazilians. That part, however, was withdrawn from the second version of the bill after a number of lawmakers pushed against it in previous discussions.

Although the government has not offered estimates of the impact the reform will have, local specialists, predict that changes would decrease the pension system by about \$6.1 billion over the next 10 years.

Paulo Kliass, a member of the Brazilian Association of Economists for Democracy (Abed), commented that his country is not well informed about the proposal. He challenged government data on the supposed "social security crisis," for they are part of neoliberal propaganda that is aimed at convincing the people that "if there is no reform, Brazil will break down."

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