

The neoliberal economic and political situation

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The \$30-billion loan from IMF in 2002, which initially had to give rise to the Brazilian economy and lead it from the existing financial crisis, has proven to be ineffective. The presidential election and the Lula government have not met the goals, set by the International Monetary Fund and other international institutions. The government has neither taken the right orientation of carrying out legal and regulatory policies, nor opened the way out for others.

The neoliberal economic and political situation have only caused confrontation and worsened the existing problems with public debt, poverty, wage rates and other essential issues. The core problems of Brazilian political climate contain: budget deficit (which causes increase of public debt and high inflation rates), lack of agrarian, pension, military and social-program reforms, bureaucracy of trade unions, privatization (the most of the businesses are in the hands of Lula government and its allies), and violation of workers' rights. The key element of any country - the worker - is over-discriminated by the state.

Women and Afro-Brazilians are discriminated and underpaid, the number of slaves and forced workers drastically increases, the corrupted government is involved in bribery, therefore, the illegal land exploitations (forest clearing, mining, etc.) that violate the right to adequate housing are widespread (Danish Institute for Human Rights, 2006). The lower tax rate for private business do not meet the efficiency and equity for macroeconomic stable situation and fiscal control, for income and property taxes are reduced by decreasing number of official workers.

According to the risk data, the Brazil government effectiveness risk is 68 of 100, tax policy risk is 63, with Brazil overall risk rating assessment of 47

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(data obtained from viewswire. com). These numbers give the clear picture that the 250-billion debt in Brazil, violation of laws, illegal actions of the government and key entrepreneurs, create the disfavorable and unstable ground to foreign-owned businesses and dollarization does not give confidence in Brazilian economy.

Moreover, the IMF debt can be cut off in the case if the Brazilian government does not meet the target. References: Danish Institute for Human Rights. (2006). Executive summary of the Brazil country Risk Assessment. Online. October 29, 2007. Available: http://www.humanrightsbusiness.org/pdf_files/Brazil_%20Executive%20Summary.pdf. Risk ratings. (2007). Brazil risk ratings. Online. October 29, 2007. Available: http://www.viewswire.com/index.asp?layout=RKcountryVW3&country_id=1480000148&rf=0