

BRAZIL

Democracy at Stake

By Carlos Milani

At the turn of the 21st century, Brazil was acclaimed as a “rising economic power” and a dynamic democracy where government implemented progressive public policies in one of the world’s most unequal societies. Brazilian “best practices” were high on the international agenda. Developing countries sent envoys to Brasília to analyze the gradual results of social policies being implemented. But what went wrong? What are the origins of Brazil’s current profound institutional, political, and economic crisis?

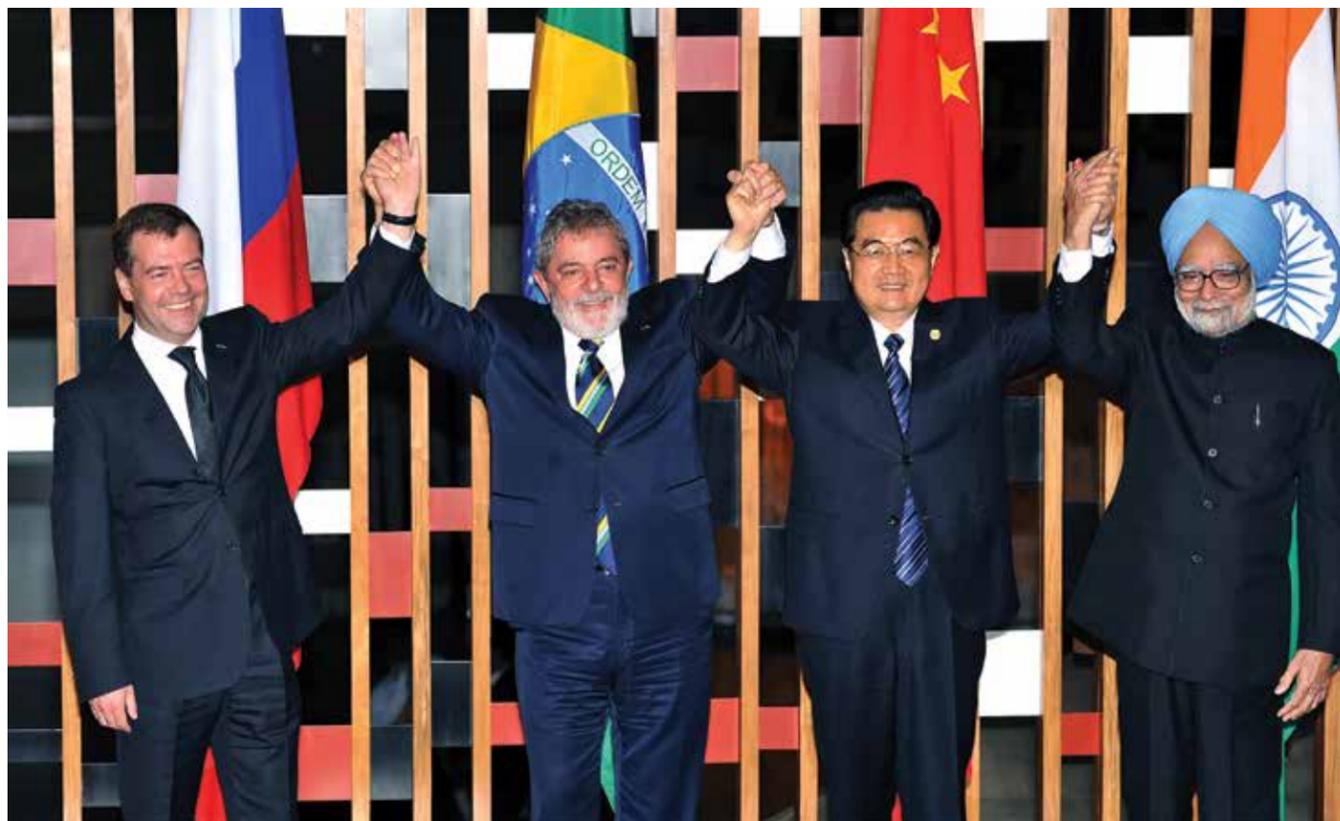
In broader terms, the transition from the presidency of Fernando Henrique Cardoso (1995–2002), to Lula da Silva (2003–2010), then to Dilma Rousseff (2011–2014) represented the continuity of the 1988 Constitution political pact, consensus on macroeconomic stability, and respect for the rule of law, as well as the implementation of creative and inclusive social policies, particularly in the field of poverty reduction. It goes without saying that each president had his/her own idiosyncrasies in terms of building coalitions, dealing with business and social movements, or relating to the mass media. Moreover, they were noticeably quite distinct from one another in the way they projected Brazil’s political ambitions and roles in the international scene.

In a nutshell, President Fernando Henrique Cardoso built alliances with center-right and right-wing parties in the legislative branch and cherished financial corporations as his main economic support in the private sector. During his mandate, Brazil was known for macroeconomic stability and some important advancements in the health sector, particularly as far as HIV-AIDS treatment access was concerned. Under the label of “prestige diplomacy,” Brazil’s foreign policy ratified important human rights agreements, championed environmental multilateralism, and endorsed “Third Way” programs. To this end, Cardoso met with Bill Clinton and Tony Blair, aiming at the establishment of a more just global order and “globalization with a human face.”

Coming from a political party that once raised radical and left-wing banners, President Lula da Silva needed to build a larger coalition to ensure governability, including center-left, center, and center-right parties represented in the National Congress. This explains why neoliberal



The Brazilian Chamber of Deputies during the impeachment vote, April 2016.
(Photo by Marcelo Camargo/Agência Brasil Fotografias.)



Presidents of the BRIC countries in 2010 (from left): Dmitri Medvedev (Russia); Lula da Silva (Brazil); Hu Jintao (China); Manmohan Singh (India).

economic policies coexisted with progressive social policies during Lula's mandate. His government fostered a regular annual increase of the minimum wage, supported the fight against hunger, strengthened social housing and public infrastructure for the poor, and promoted a rural development model based on hegemonic agribusiness and a credit program for family agriculture, but also gave considerable support to higher education and research. Socially speaking the large coalition built by the Partido dos Trabalhadores (PT, Workers' Party) also included rural and urban social movements, as well as the industrial and civil construction sectors interested in a development model based on extensive public investment, nationally and abroad. Benefiting from the commodities boom cycle and impressive Chinese economic growth rates, Brazil increased its accumulation of gross international reserves from approximately \$37.8 billion in 2002 to \$288.5 billion in 2010.

Nevertheless, the distinction between the two historical periods becomes clearer when we look at the changes in Brazil's foreign policy agenda. With Ambassador Celso Amorim as Minister of Foreign Affairs, Lula da Silva's government sketched a "grand strategy" based on a multipolar international order and a development model emphatically aimed at national autonomy. Lula-Amorim's strategy focused on regional integration

in South America and South-South cooperation; the formation of the IBSA Dialogue Forum (India, Brazil, and South Africa); the creation of the Brics (Brazil, Russia, India, China, and since 2010, South Africa); and an increased dialogue between foreign policy and defense, explicitly demonstrating an ambition for international prominence. These were important features of Brazil's international projection of power between 2003 and 2010, which together with the pre-salt oil discovery announced in 2007, boosted the country's diplomacy to question asymmetric global governance structures, thus urging for political reforms in global institutions.

In addition, under Lula-Amorim, Brazil revealed its ambition for graduation also in terms of its international role. Both in the World Trade Organization's meeting in Cancún in 2003 and through the Turkish-Brazilian mediation proposal for the Iranian nuclear program in 2010, Brazil's government demonstrated that it also wanted to "act globally" and to be a rule-maker in the international order. Brazil not only refused to sign the Free Trade Agreement of the Americas in 2005, but also became China's trade and investment partner, including in the exploitation of oil from the pre-salt layer resources. When Lula was preparing to step down in December 2010, opinion polls showed that his personal approval rating had reached a dizzying high of approximately 87 percent.

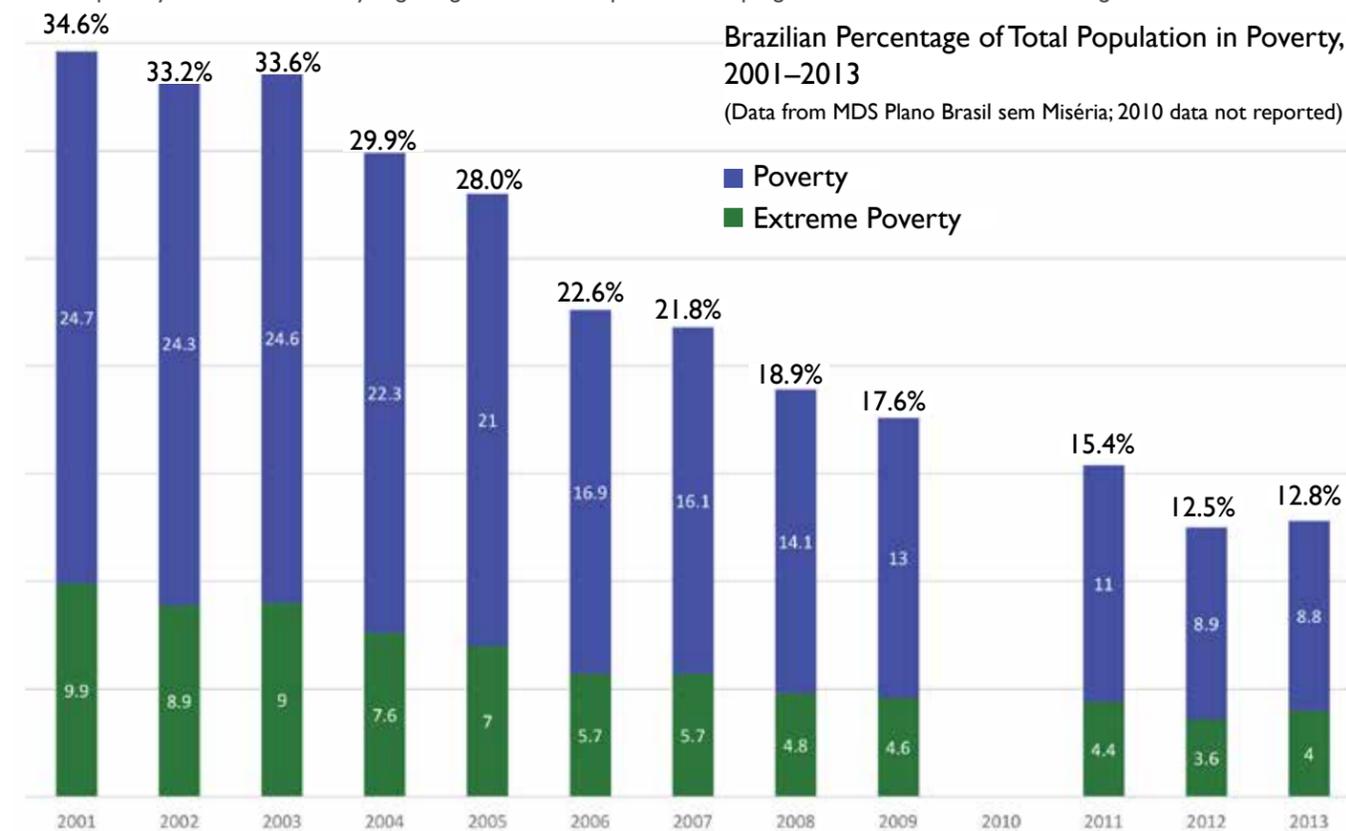
Being the successor of such a popular president was no easy task for President Dilma Rousseff. She did not enjoy the same charismatic leadership profile, nor did she benefit from a favorable global economic context for Brazil's development. The effects of the 2008 global economic crisis on the Brazilian economy were clear during her first mandate, and her government failed in its attempts to reduce the banking system's interest rates and excessive gains, stimulate growth through public and private investments, diversify the industrial infrastructure, and thereby, reorient the Brazilian macroeconomic development model. Moreover, Rousseff's political coalition was ideologically too broad, and party leaders did not agree on all the policies she was trying to implement. Once the commodity boom was over, growth rates declined significantly, and it was impossible to maintain Lula's previous development pact of "gains for the poor and for the wealthy" at the same time.

Despite this change in the political game, Rousseff still insisted on increasing the minimum wage, expanding social policies to fight against poverty, promoting research and scientific development (for instance, through the "Science Without Frontiers" program), as well as fostering nationwide technical and professional capacity-building programs. In 2014, according to the World Bank, Brazil

presented the lowest Gini coefficient of its history (0.514), and the Ministry of Social Development published that "only" 12.8 percent of the population was living under the poverty line. These were impressive figures when compared to previous years: Gini was 0.595 in 1995, 0.586 in 2002, and 0.538 in 2009; whereas the poverty line included 33.2 percent of Brazil's population in 1995, 33.6 percent in 2003, and 17.6 percent in 2009. In other words, Rousseff maintained her commitments to social policies in a national and global economic scenario that was straightforwardly less benign than that of her processors.

The economic and social policies as well as the development model that she was trying to implement required a strong social coalition in the legislative branch, in civil society, and within social movements to support the implementation of her decisions. Her developmentalist state likewise required a national entrepreneurship capacity and a productive sector associated with the nation's future. However, as political scientist André Singer and economist Ricardo Carneiro have both affirmed, the failure of Rousseff's developmentalist experience suggests that the Brazilian productive sector's configuration and interests were increasingly linked to the financial sector, more oriented towards global markets, and much less prone to accepting the implementation of a national developmentalist socioeconomic model.

Brazilian poverty declined dramatically beginning in 2003 with expanded social programs under the Lula and Rousseff governments. >>



Having briefly described the trajectory of Brazilian policies and politics since 1995, I must stress that despite their respective differences and relevant distinctive traits, the three presidents did not deviate from the 1988 Constitution and political pact that has supported Brazil's re-democratization. Nevertheless, in 2015–2016 the sense of progressive advancement was disrupted; something happened in Brazil over the last two years, and the country now faces one of the greatest institutional, political, and economic crises of its Republican period. What are the facts that we need to recall? Who are the main actors involved in Brazil's current deadlock?

First, corporate funding of electoral campaigns has supported the election of 594 members of Congress, both in the Chamber of Deputies (Brazil's lower house) and the Senate. Among them, 318 are or have been under investigation for corruption or illegal electoral campaign practices but played a key role in the impeachment procedure, particularly Eduardo Cunha (former president of the Chamber of Deputies, now in prison).

Second, institutions of political control (the Public Prosecutor's Office, the Attorney General's Office, the Federal Police) have gained autonomy and capacity as

well as increased funding (and salaries) in recent years. Yet, however relevant their investigations and judicial operations may be, they have been very selective in terms of their initial fight against corruption. It was only in late 2016 and early 2017, when the controversial coup against Rousseff had been concluded, that other major political parties such as the center-right Partido do Movimento Democrático Brasileiro (PMDB, Brazilian Democratic Movement Party) and the center-right Partido da Social Democracia Brasileira (PSDB, Brazilian Social Democracy Party) were also touched by the judicial process related to the Lava Jato investigation. They have also been closely linked to the media through leaks of judicial operations to gain popular support, publicly condemning politicians before due process of law. Between 1995 and 2002, the federal police implemented 48 operations; from 2003 to the time of this writing, 2,226 operations have been carried out.

Third, the judiciary has adopted different criteria in the analysis of judicial processes and strikingly different time frames, being very slow in some cases (against center-right and right-wing politicians) and extremely quick in others (against PT political leaders). It may

President Dilma Rousseff argues her case during the impeachment proceedings, August 2016.



Photo courtesy of Senado Federal.



Photo by Marcelo Camargo/Agência Brasil Fotografias.

Brazilian senator Aécio Neves (left), a leader of the impeachment process, was suspended from office for corruption in May 2017.

be mere coincidence, but this difference has drawn the attention of the citizenry. It took the Supreme Court more than four months to decide on Eduardo Cunha's ousting from the presidency of the lower house, but less than 24 hours to prevent Lula from being nominated minister.

Fourth, former Vice President Michel Temer, who was elected with Rousseff and is now serving as the nation's president, behaved like a political traitor. His party, the PMDB, had been an ally of the PT for 13 years and bore partial responsibility for the good and bad results of their policies. It is true that alliances may change in politics — the question is how and why. After Rousseff's ousting from power, Temer built an alliance with the PSDB and other smaller parties and has since implemented a series of measures with seriously negative effects on social policies (education, health, family agriculture) and strategic national development (such as energy, naval, and regional aircraft industries). After approximately one year with Temer in power, "the emperor has no clothes," and corruption scandals have touched not only the president and his close ministers and assistants, but also PSDB senator Aécio Neves, thus shaking the country's fragile democracy to the core. What and who comes next

is one of the major questions put forward for Brazil's democratic future.

Fifth, the media is not a neutral agent in this process, and on behalf of an apparent freedom of expression, newspapers, magazines, and television channels (mainly Globo, Folha de São Paulo, and Estado de São Paulo) have ended up "manufacturing dissent."

Sixth, there is also an international dimension that must not be neglected. Indeed, several international organizations and leaders, as well as foreign media, have expressed their concern about the undemocratic political process leveled against Rousseff. These include the Organization of American States (OAS), the Inter-American Court of Human Rights (Iachr), the Union of South American Nations (Unasur), the Economic Commission for Latin America and the Caribbean (Eclac/Cepal), and several United Nations agencies (UN Women and Unhcr for instance), to cite just a few. The global media has also criticized the conservative and putschist Brazilian media for its coverage of the political facts since the crisis began. The political crisis in Brazil has been covered not only by leftist media such as the Mexican newspaper La Jornada and Argentina's Página/12, but also

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by mainstream newspapers and weekly magazines like *The New York Times*, *The Washington Post*, *The Independent*, *The Guardian*, *Die Zeit*, *L'Obs*, *Süddeutsche Zeitung*, *El País*, and *Público*.

In fact, Brazil's current crisis is not just a set of domestic effects stemming from a global economic emergency — i.e., it is not merely about geopolitics and foreign interference in national affairs. Neither is it just a crusade against corruption that, in fact, touches all state branches (executive, legislative, and judicial), sectors (public and private), and levels (macro/social and micro/individual). It is not only the ruin of one of the most important left/center-left mass political parties in the world. And finally, it is not another “normal” transition within the democratic regime. The “coup by impeachment” in 2016 was profoundly controversial, and each of the above-mentioned partial accounts of the Brazilian crisis must be put together for us to understand the facts and their deep-seated implications.

As a leitmotif of this crisis, there is the common belief that corruption is the country's worst problem (rather than inequality) and that the PT is the agent primarily (if not solely) responsible for the dissemination of corrupt practices in Brazil's contemporary politics and business. Fighting against corruption could include a series of “innovative” instruments and “exceptional and selective” measures within the police, the judiciary, the media, and the lower house. “Cleaning Brazil” could mean the criminalization of the PT and the social condemnation of all individuals (even well-known Brazilian composer and writer Chico Buarque), social actors, and other political parties connected with any sort of progressive banner.

Indeed, the crisis can be analyzed as a classic case study of social polarization and elite division, which is nothing new in Brazilian history (e.g., Vargas in 1954, Goulart in 1964). It opposes demands of economic orthodoxy from “the market” that impinge upon and frequently override social priorities, including modest welfare and rights-based social development programs directed towards historically marginalized people. It can also be understood as a social crisis, since Brazilian society has not been able to construct a sense of public good and common belonging and still faces dilemmas related to identity (is the Brazilian Everyman also black and indigenous?), acceptance (what are the tolerable limits of exclusion and inequality in our society?), and coexistence (how can we continue living together with respect for one another, regardless of our differences?). No less meaningful is the debate on Brazil's international role: should the country follow a neocolonial trajectory and converge with the United States and the West in all

matters? Or could Brazil have agency to implement a more autonomous foreign policy? These issues are indeed associated with a break within Brazil's strategic elites, from both public and private sectors. What is at stake in Brazil today is the “political pact” of its transition from dictatorship to democracy and the 1988 Constitution.

Indeed, the crisis encompasses more than domestic politics — it also has an international and geopolitical agenda. In 2003, Brazil's foreign policy moved away from its previous trajectory aligned with the Western world (especially the U.S.). Although Lula and Rousseff had differences, their approaches to foreign policy were based on a shared interpretation of the world order (less hegemonic and more multipolar) and the defense of Brazil's self-esteem, political autonomy, and development. Currently, these foreign policy principles and decisions are being set aside. In March 2017, Brazil and the U.S. signed a military agreement that paves the way for the joint development and sale of defense products. Bloomberg reported the agreement as “the latest sign of a foreign policy change in Latin America's largest economy after more than a decade of left-wing rule ended with the impeachment of President Dilma Rousseff last year.” Two other military deals are being discussed and could pave the way for U.S. use of Brazil's rocket launch site, the Alcântara base.

Yet, President Barack Obama made not one reference to the political turmoil in Brazil in 2015 or 2016 as a threat to the building of democracy and the rule of the law in the region. On the contrary, Obama paid Argentina's President Mauricio Macri an official visit during the same week of the April 17, 2016 vote in the Brazilian National Assembly and expressed his confidence in Brazil's political institutions. Weeks later, a White House spokesman reaffirmed “our confidence in the durability of Brazil's democratic institutions.” On April 23, 2016, the very same day Rousseff was in New York at the United Nations telling international journalists that there was a coup underway in Brazil, members of the U.S. Congress from both Democratic and Republican parties sent a letter to the Brazilian Congress saying that they were praying for the best possible solution for Brazil.

This letter was sent after PSDB Senator Aloysio Nunes, president of the Foreign Relations Commission within the Brazilian Senate, had made a trip to Washington, D.C. During this visit, Senator Nunes, Temer's current Foreign Minister, held a meeting with Assistant Secretary of State and former U.S. Ambassador to Brazil, Thomas Shannon. At the time, Ambassador Shannon was one of the most influential decision-makers in the Department of State as far as Latin America was concerned. Senator Nunes also



Photo by Marcelo Camargo/Agência Brasil Fotografias.

Mounted police at an anti-government demonstration during votes overturning progressive policies on worker rights and pensions, May 2017.

held meetings with the chairman and ranking member of the Senate Committee on Foreign Relations, Bob Corker (R) and Ben Cardin (D), respectively. He then attended a luncheon organized by Albright Stonebridge Group. How should one interpret all these meetings being held a day or two after the April 17 vote in the Brazilian National Assembly? Does this reveal the bias of U.S. decision-makers toward one side of the dispute?

Obama did not hesitate to publicly address the British people to convey a message of support for the United Kingdom's strategic links with the European Union, nor did he fail to defend democracy in Ukraine when U.S. interests were at stake in the region. Obama's silence on Brazil's coup was astoundingly revealing. The State Department took the very same stance during the coups in Honduras (2009) and Paraguay (2012). History matters, and one should never forget another Democratic president's role in domestic politics in Brazil. Prior to his assassination in November 1963, President John F. Kennedy held several conversations with the U.S. Ambassador to Brazil, Lincoln Gordon, and his top aides to consider policy options and strategies to support Goulart's deposition and the installation of an allied military government. This strategy was then followed by Lyndon Johnson.

The Cold War is over, it's true, but have U.S. interests and attitudes changed in the region or do officials in Washington still consider Latin America to be the United States' backyard? It is often said that left-wing political parties and social movements in Brazil show too much anti-Americanism; however, one must recall that the U.S. has not just tacitly supported military coups.

Temer's government is not delivering more transparency, more effective institutions; it is promising market-oriented reforms as well as policy changes that are not only economic in their nature, but are social and cultural, too. Democracy-building in Brazil is, like in the myth of Sisyphus, laborious but not futile; it may produce despair, but also revolt. One of the questions for the future of Brazilian democracy is how revolt may be channeled to avoid yet another roll down the hill on the country's path to build a more just and progressive society.

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