

## BRAZIL

# Tottering Toward the Brink

By Elizabeth McKenna

There's a longstanding joke about the year 2015 in Brazil. Customarily, if a national holiday falls on a Tuesday, Brazilians will "enforçar" Monday. The word *enforçar* literally translates as "to hang" or "to strangle," but figuratively, it means to treat any day between a weekend and a holiday as a day off. In 2016, September 7 – Brazil's Independence Day – falls on a Wednesday. Thanks to the logic of *enforcamento*, some students, workers, and bosses will happily justify skipping out on two days of work or more.

It was in this context that a street vendor told me: "We heard that we would host the World Cup in 2014. Then they announced that Rio won the 2016 Olympic bid. So naturally everyone thought, 'Great! We'll just enforçar all of 2015!'" He laughed.

In many ways, the year 2015 in Brazil reflected something of a suspended state of affairs. Deepening political and

economic crises beset the country. Its brief status as a star emerging economy with a soaring 6 percent GDP growth rate came to an end in 2010. Inflation and unemployment were on the rise, and the *real* lost 50 percent of its value against the U.S. dollar between 2013 and 2015. Dilma Rousseff's approval rating sank to the lowest for any sitting president since the polling institutes first started keeping track, falling below even that of Fernando Collor de Mello, who was impeached in 1992. Considered side-by-side, three covers that *The Economist* published in 2009, 2013, and 2016 speak to Brazil's recent volatility.

Brazil's 7-1 loss to Germany in the World Cup semifinals was only the beginning of a series of defeats. Soon after the commodity boom with China went bust, the country's largest political parties, private construction companies, and most recently, private banks were exposed for orchestrating the biggest publicly known

Rio de Janeiro's Cristo Redentor statue outlined against swirling clouds.



Photo by Geraint Rowland.



Changing perceptions of Brazil.

corruption and cover-up scandal in Brazil's history: Operação Lava Jato (Operation Carwash). Pundits have been quick to declare the collapse of Brazil's second so-called economic miracle.

## The Specter of Corruption

In November 2015, a much-publicized poll indicated that for the first time in history, corruption ranked as Brazilians' foremost concern:

What is the biggest problem facing Brazil today?

ISSUE	% OF RESPONDENTS
Corruption	36%
Health	16%
Unemployment	10%
Education	8%
Violence	8%
The Economy	5%
Other	17%

(Datafolha poll (Nov. 2015): N = 3,541 ME ± 2%.)

Less than a year ago, similar polls reported that the number of Brazilians who identified corruption as the biggest problem never surpassed single digits. Two questions follow: 1) Has the country become more corrupt than in years and decades past? 2) What is meant by the term "corruption," a construction that is now as banal as the catchall phrase "the economy"?

In the following three sections, I offer three ways to contextualize these questions in light of Brazil's current and deteriorating political conjuncture.

## Bringing History Back In

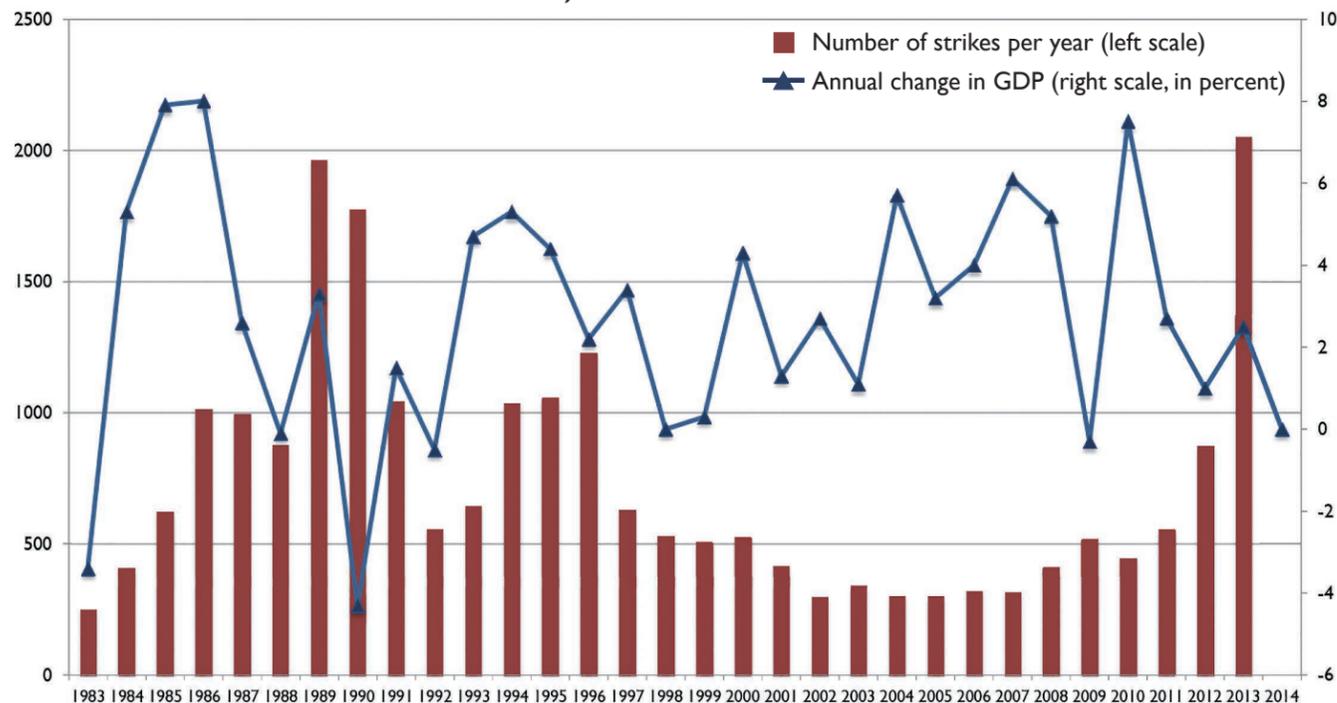
Many of the discussions surrounding Brazil's latest corruption scandal have lost their historical moorings. A large body of scholarship has documented corruption as an endemic feature of Brazil's political and cultural life, dating back to Portuguese colonial rule, passing through the country's brutal and protracted history of slavery, and continuing into the post-democratization period of "neoliberal reform[s] combined with a level of corruption unprecedented even for Brazil," as Peter Evans wrote in "Embedded Autonomy" (1995). The more recent political history of the country – more than 13 years of Worker's Party (PT) rule – amounts to what sociologist Ruy Braga calls "a (weak) reformist project led by a union bureaucracy in a time of global financial hegemony" (2015). Yet the structural underpinnings of the most recent crises are lost in the inchoate outrage against "corruption" in Brazil. We must ask: What are the material conditions that give rise to scandals like Operação Lava Jato?

Brazil has long been one of most unequal countries in the world. Setting aside wealth, which many stratification scholars argue is the most accurate way to measure intergenerational status transmission, the richest 10 percent of Brazilians receive 42 percent of the country's income, while the bottom 40 percent receive only 13.3 percent (IBGE, 2013).

Political scientist Marta Arretche told *El País* that Brazil's dubious distinction on inequality indexes meant that relatively "cheap policy concessions such as Bolsa Família and increases in the value of the minimum wage" had a disproportionately large impact on overall inequality measures. Brazil's much-heralded gains were

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### GDP Growth and National Strike Count, 1983-2013



Labor unrest grows with declines in Brazil's GDP growth.  
GDP data: World Bank (2015); Strike data: SAG-DIEESE's Strike Monitoring System, UNICAMP (2012).

modest but effective at securing what Braga, drawing on Gramsci, says can only be described as the passive consent of the masses. A blunt yet telling comparison of the relationship between Brazil's GDP growth between 1983–2013 and the number of worker's strikes over that same period reflects this trend (see figure above).

The Inter-Union Department of Statistics and Socioeconomic Studies (DIEESE) has not yet released data on the number of strikes in 2014 and 2015, but the inverse relationship between economic growth and unrest is expected to continue. Brazil's GDP fell 1.7 percentage points in the third quarter of 2015 — the worst performance in 20 years — and analysts are forecasting an additional 3 percent plus contraction in 2016. Meanwhile, estimates of strike counts in 2014 numbered more than 400 in only a four-month period, suggesting a return to the levels of the mid-1990s.

Sporadic street mobilizations on both the left and right in 2013–2015 indicate that some segments of the population have begun to gain an awareness of their own historical agency. This awareness is viewed as a positive development after the quiescent 2000s, a period that sociologist Luiz Werneck described as a “great, depoliticized Sahara of civic life” (2011). At the same time, a number of *militantes* (activists) with ties to longstanding social movements responded with incredulity to phrases like “the giant has awoken,” the

catchphrase used to describe the 1.4 million protestors who took to the street in June 2013. Many of the protestors belonged to middle socioeconomic strata: they were largely urban, well educated, and earned on average more than twice the minimum wage. The profile of the 2015 and 2016 impeachment protestors was even wealthier and more homogenous.

“The giant may have just woken up, but the periphery never slept,” one activist told me. Another leader of the Homeless Worker's Movement (Movimento dos Trabalhadores Sem Teto, MTST) put it this way:

Brazil has a long history of peasants, workers, and marginalized classes engaging in struggle. [The] Brazilian people who are most exploited have always resisted, but always within the context of a very strong state. The Brazilian state is perhaps one of the strongest and most consistent in post-colonial history; it has been able to administer class conflict very efficiently.

Both of these interview respondents speak to the historical and class nature of the current political crisis, a dimension that has been disguised generally behind the banal language of corruption, and in particular, by “lulopetismo,” a neologism that combines the former, larger-than-life President Lula da Silva and his party, made up of Worker's Party loyalists, *petistas* (Peschanski, 2015).

### Corruption by Any Other Name

Operação Lava Jato revolves around a money–politics connection that extends into the highest reaches of government and into the wealthiest enclaves of the private sector. Members of the country's largest political parties, construction companies, and private banks are under investigation for perpetrating the largest graft scandal revealed in the country's history.

Much of the public outrage appears to be highly selective. To take just one example that Juliana Barbassa discusses in her new book, “Dancing with the Devil in the City of God” (2015), there have been 8,466 extrajudicial killings by police officers in the urban periphery of Rio de Janeiro in the past decade alone. Nearly 80 percent of the victims were black (Amnesty, 2015). As Céli Regina Jardim Pinto, a scholar of the history of corruption in Brazil, has observed, “pointing a finger at those who are guilty does not absolve society of responsibility.” She further explains:

Identifying the corrupt, judging them as corrupt, making them return illicitly obtained resources, and

condemning them to prison are necessary acts and must be justly carried out. But, at the same time, we must recognize that [these steps] are incapable of reducing ‘residual’ corruption, [evident in] ... a population that has little compunction about judging acts of corruption large and small but which itself does not feel obligated to follow laws, even the simplest of traffic laws.

Ironically, the person perhaps most aware of this double standard — epitomized by the Brazilian idiom *dois pesos, duas medidas* (two weights, two measures) — is federal judge Sérgio Moro, whom some consider a hero for spearheading the recent indictments. “It is not Operação Lava Jato that will solve the problem of corruption in this country ... for that to happen, we need to improve our institutions, and I do not see that happening at all,” he told the national public news agency Agência Brasil.

### Three Options for the Future

Brazil's unrest is not the result of a sudden epiphany about the inequalitarian nature of its institutions, nor

Starting as a money-laundering investigation, Operação Lava Jato grew to threaten the Rousseff government.



Photo from Polícia Federal do Paraná/Agência Brasil Fotografias.)



Photo by Rodrigo Saldon.

Brazil's natural beauty: a sailboat in front of Pão de Açúcar.

a heretofore unknown revelation about the ways in which kickbacks fuel what Barbassa called the country's "construction industrial complex." Most observers instead point to the economic crises and a political climate of uncertainty, what sociologist João Alexandre Peschanski called *desnorteamiento político* (political disorientation). The familiar rules of the game — those that govern how legislation passes, how contracts are awarded, how stadiums are built, how politicians are elected — have disintegrated.

It is impossible to know what the long-term fallout of the current crises will be. However, there are at least three hypothetical paths forward. The first and much more difficult option might entail what some scholars call "political articulation," which refers to a coordinated "politicization" of divisions to suture together once-atomized groups. In some ways, Rousseff's impeachment proceedings have done just that: galvanizing right-wing sectors around neoconservative politicians like Jair Bolsonaro, who is leading in the polls for the 2018 elections among voters in the highest income stratum. At the same

time, although Brazil's left is notoriously fragmented, umbrella movements like the Movimento Povo Sem Medo and the Frente Brasil Popular have united in their opposition to the impeachment, to austerity policy, and to the rollback of hard-won social rights.

The political articulation approach is to be contrasted with the anti-party, anti-political, and "national unity" sentiment that characterized some of the massive, digitally enabled, middle-class protests of recent years. According to Cedric de Leon, Manali Desai, and Cihan Tuğal's recent book on the subject, successful political articulation manifests as "a constant call and response between [political] parties and would-be constituents." This dynamic is impossible in the absence of class-conscious associations, movements, and parties that are internally organized enough to contest political power. In this organized scenario, "equality of voice" — progressive or reactionary — stands a chance to "balance inequality of resources," as Sidney Verba famously described the defining feature of a functioning representative democracy.

The second option is to approach this interregnum in the same way that the street vendor joked about Brazilians treating the time between the World Cup and the Olympics. The country will ride out this cyclical economic downturn, there will be a nominal transition of power within the existing state machinery, and the conditions that permit widespread corruption and structural inequality will remain intact. Lest we forget, in the 15 years after Collor de Mello's impeachment on corruption charges, he was twice elected — and still serves — in the senate that is now tasked with weighing Rousseff's impeachment. In short, as the Brazilian saying goes, *tudo acaba em pizza* (it all ends up in pizza), which is to say that after all of the tumult, everything returns to the status quo. This scenario seems increasingly likely if the PMDB — the second-in-command political party that Brazilians describe as *fisiologista* (opportunist) — takes power after Rousseff is impeached.

A third, perhaps most probable, option is a mix of political articulation and political amnesia. New parties and movements will emerge, as they have, but they may

turn on transactional electoral calculus rather than strategies that strengthen the power of their constituents vis-à-vis the state. So long as the battle only plays out in the legal arena or in congressional floor fights in Brasília, the conditions that give rise to corruption in all its sordid forms will continue unperturbed.

In her new book, "Dancing with the Devil in the City of God: Rio de Janeiro on the Brink" (Simon and Schuster, 2015), journalist Juliana Barbassa examines a city in crisis as Rio prepares to host the 2016 Olympics. Her talk on November 9, 2015, was co-sponsored by the Center for Latin American Studies and the Institute of International Studies.

Elizabeth McKenna is a doctoral student in sociology at UC Berkeley.

References available in the online article at [clas.berkeley.edu](http://clas.berkeley.edu).

Impeached for corruption as Brazil's first post-coup president, Fernando Collor de Mello has twice been reelected to the Brazilian senate.



Photo from the Senado Federal do Brasil.