

Roots of the Crisis

By Jorge Wilhelm

In order to discuss the 2005 political crisis in Brazil, we must first create a frame of reference. The key concepts of patrimonialism, elites, development and governance make up the borders of this frame and are basic in the analysis of politics in Latin America.

Patrimonialism

Once elected, every Brazilian politician or political party has a vast public “patrimony” at their disposal to hand out as they please. This includes public jobs, the federal budget and the imposition of laws, taxes and rules. The republican ideal of separation between the three powers in government carries little weight in Brazil. Elected members of the legislative house wait anxiously for the executive branch to include them in its “patrimonialized” power. This is what the voters and political parties have come to expect because the patrimonial bias still pervades Brazilian (and Latin American) politics.

The influence of “clientelism” is a result of the migrant character of the Brazilian people. Migration creates its own, unique cultural values: personal success, upward social mobility, the network of family security and the search for opportunity in large urban centers. As a result, personal success is valued more than personal ethics.

Elites

Social mobility created a dominant oligarchy in Brazil, originally made up of landowners and farmers. Today, businessmen, industries, the military, the rising middle class, charismatic religious leaders, traditional politicians, bankers, financiers and speculators shape the oligarchy. This dominant class — the main voice represented in the national media — sets public opinion and has given itself the overblown name of “elite.” However, they rarely possess the aristocratic elegance, education or culture that

such a name suggests. More often, these self-described “elites” are self-inflated, rude and only out for immediate gain. Ignorant and lacking the ability to see the big picture, they adopt superficial positions which often result in their own demise.

Since the “elites” are not a social class they lack internal unity. There are great areas of tension and wildly varying interests among them. Their self-centered political stance has made it difficult to create and implement policies concretely aimed at improving the distribution of wealth. Nevertheless, it is necessary to note the changes that have taken place in recent decades as a result of the swelling of the “elites” and the organization, concentration and politicization of Brazilian cities. It is possible that such social transformations could allow for a society to go beyond rhetoric and create public policies and transitional strategies to once and for all close the divide between those who are included and those who are excluded from development.

Development

Everyone knows, but few remember that development is not a synonym for economic growth, although growth is a part of the process. Development requires a project, which means a process of successive transformations with far-reaching and generous goals. These goals are achieved through a variety of steps and actions that demand time and a certain amount of social consensus. The importance of this concept in the discussion of the present political crisis results from the government being devoid of a real comprehensive development project. Such a development project should be prompted by good intentions, include social programs like Fome Zero (Zero Hunger) and Bolsa-Familia (Family Fund) and be maintained by a certain constancy in federal programs and go beyond, including long-term economic policies.

Unfortunately, following projects through to their completion is not popular in Brazilian



Photo by Renato Sander/PR

culture. Politicians, political parties and governments frequently limit themselves to addressing what is urgent rather than what is important. It would, however, benefit intellectuals, professionals, the media and especially political leaders to fight for development projects to be carried out in a way that includes what is urgent within the itinerary of what is important. This would provide perspective and transparency to the many stages of development.

Governance

While governance is the primary aim of any recently elected politician or party, in Brazil governance is currently undermined by the confusion between the legislative, executive and patrimonial view of power. Confusion reigns as everyone awaits the doling out of public goods among supporters, allies and friends.

In the Brazilian case, two main parties stand out in the fight for power, the Brazilian Social Democratic Party (PSDB) and the Worker's Party (PT). These parties have very different origins. The PSDB was born from a disagreement within the Brazilian Democratic Movement Party (PMDB), a collection of opponents to the

military regime. The PT was created in 1980, when experienced union leaders, mainly from São Paulo, decided to enter the political game of partisan political representation in the name of workers.

In spite of their diverse beginnings, both parties represent the center-left of the Brazilian political spectrum. Both parties, upon winning an election, face the problem of governance and the fatal, blind opposition of the other party. The newly elected party is forced to seek majority support in congress through every kind of alliance, no matter how questionable. In the first two years of the current government, one third of the 513 congressmen switched their party allegiance, increasing the number of representatives supporting the PT from 220 to 341.

Brazil would benefit greatly if current inauthentic and corrupt attempts at governance were substituted with an "Agreement on Governance," prior to each election. This would allow the majority parties to better identify themselves and the voters to regain trust in them. Such an agreement would reflect a consensus on a few essential points for

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President Lula during the 15th meeting of the Council for Economic and Social Development.

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development that require more than a gesture to achieve results. This would guarantee the preliminary support of both parties on crucial subjects. Examples of basic subjects that the agreement would cover are, social security reform, political party reform, qualitative improvement of education and the preservation and careful use of natural resources. This is not meant to hinder the debate, but rather to ensure that the elected party will receive the other party's backing on these issues and make their support immune to petty bribery.

Timeline of the current political crisis

The Public Affairs Ministry and the Federal Police have carried out the appropriate investigations and implemented police processes that have destroyed several criminal groups within the government. These criminal groups were established within government departments either to evade taxes or to rob public coffers in other ways. For the first time in history, members of the oligarchy appeared on television in handcuffs and had to answer to serious, well-proven accusations.

In March 2005, *Veja* magazine filmed and released a videotape showing the former Post Office director allegedly negotiating a bribe with a businessman. He was shown receiving R\$3,000 (USD\$1,260) in cash and insinuating that the scheme was being orchestrated by Roberto Jefferson, leader of the Brazilian Labor Party (PTB). All the major Brazilian television stations aired this video. Jefferson, foreseeing the inevitable series of investigations, gave a shocking newspaper interview admitting that the PT was buying votes in congress. He also accused the PT of not completing the payments and of having put together a large-scale scheme of monthly kickbacks called the “*mensalão*,” or big monthly, involving dozens of members of congress.

The parliamentary inquiry searched out those whose honor had been lost and who therefore must be punished by removal from office and eight years of political ineligibility. At the

same time, the police carried out their own investigation. To the pleasure of the opposition and the biased media, it was revealed that PT leaders had created a secret financing mechanism to cover the electoral expenditures of their own party and their allies' parties. In addition to being an electoral crime, common to all parties, this discovery destroyed the untarnished image of high ethical standards that the PT had maintained in the public's eye. This grave strategic error by the leadership of the PT — based on the premise of the ends justifying the means — fueled an aggressive anti-PT movement, spread zealously by the media in a kind of revenge against the arrogance of many PT leaders who had touted their party as the only repository of moral and ethical virtue. The anti-PT sentiment, fueled by the reckless actions of the PT leadership, is specifically aimed at the 2006 elections. The opposition has seen the their chance to make the PT and its president “bleed” until they are brought down one vote at a time.

On the other side, loyal supporters of the PT are left ashamed and confused. There is an internal disagreement about the behavior of their party's leadership and a lack of understanding about what the government stands for beyond maintaining the political economy of neoliberal expression. The new party leadership was elected in October by 51 percent of the 225,000 voters. The other 49 percent supported a more radical and critical leftist platform.

The investigation has turned up enough evidence to revoke the mandates of some members of the House of Representatives. This purge has “saved” the rest of the members of congress, acquitted only by the absence of an accusation, although it is more than likely that they too used unaccounted for funds to finance their expensive campaigns. The PT is attempting to save face and recapture their image. The investigation is not finished and has not yet revealed the source of the money (R\$50 million). This money was organized and manipulated by the leaders of the PT with the assistance of a

publicist and a lobbyist who put the corrupt payment mechanism into motion. Were the funds just normal business contributions, or did the money come from taxes diverted from the Federal Reserve? Could it have come from high-risk bank loans? Or, could it be money skimmed off private pension funds or public businesses, possibly tied to some incredibly large future appropriation?

The business world boasts that the political “crisis” has not affected the economy in any way. They point to the positive economic indicators showing international confidence in the economic direction of Brazil. It is cause for satisfaction; but without wanting to be a spoilsport, I must ask myself if a country’s economy can truly be doing so well when its people are not. The economic indicators are, in fact, positive, but they also point out an increased concentration of income and a greater gap between the rich and poor. There is an upward movement in the state of the economy, but inside this movement the distance between the rich and the poor is also growing. But this is an all together different theme, one of capitalism in its neo-monopolistic phase.

It is too early to speculate about what may happen in the 2006 state and federal elections. Even though the anti-PT press thinks that Lula’s reelection is impossible, for now there are many more unknowns than certainties. What then will the political perspectives be, and how will they be affected by the current political crisis?

If the leaders of the PSDB and PT have the foresight and high-mindedness to establish a concrete set of “Agreements on Governance” that would free them from having to buy their allies, we could have an interesting campaign. However, as the PT faces their active supporters again, they will have to guarantee transparency in their internal procedures and abolish the “democratic centralism” which is a legacy from the days when the Communist Party was persecuted and declared illegal by the state. Whichever party is elected, the PT or the PSDB, it would have to “sign” an agreement, based on a short list of common progressive items, in order to avoid the necessity of making questionable (and expensive) alliances intended to guarantee governability. They should also agree to stop

the indiscriminate destruction of their predecessor’s activities in a petty battle that undermines development. For example, the creation of regulatory agencies (energy, telephone and other futures) and public interest organizations during the management of the PSDB are advances to be maintained and perfected by the PT government. In turn, the mechanisms for political participation created in the cities governed by the PT deserve to be maintained and perfected by the PSDB.

Brazil has extraordinary potential. If its biodiversity were transformed into public wealth Brazil could be an example of a post-petroleum civilization. This country is the happy result of a secular cultural assimilation process and is overflowing with creativity. Brazil and its people need to be treated with foresight and high-mindedness by their politicians and political parties. Only then will the current crisis become a transformation. Over time, the response will be development, which can only be human and sustainable, and a fair society, built by all. Instead of remaining utopian, our society’s goal should be one of building, beginning with a project.

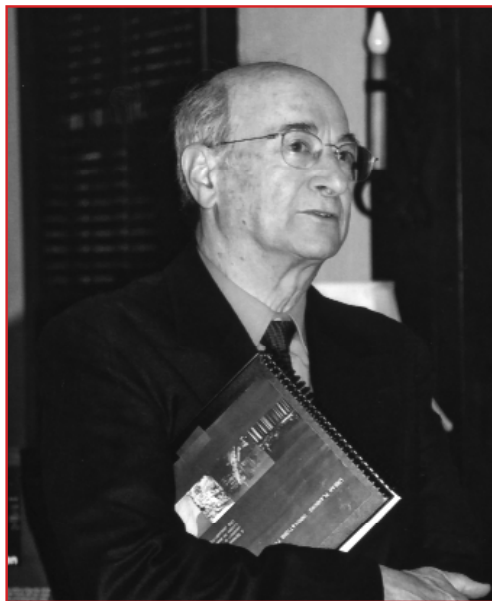


Photo by Denick Ramos

Jorge Wilhelm.